

Decision maker: Cabinet Member for Housing
Cabinet Member for Health & Social Care

Subject: TELECARE

Date of decision: 2 February 2010 – Health and Social Care
8 February 2010 – Housing

Report by: Strategic Director

Wards affected: All

Key decision: yes

Budget & policy framework decision: no

1. Purpose of report

The purpose of this report is to apprise the Cabinet Members for both Housing and Health & Social Care of the recent progress in telecare, the development plans for the immediate future and also to seek approval for delegated authority to amend the pricing structure.

2. Recommendations

1 – That this report be noted.

2 – That authority to approve a telecare pricing structure for next financial year be delegated to the Head of Community Housing and Head of Financial Services, in consultation with the Cabinet members and Opposition Spokespersons for both the Housing & the Health & Social Care Portfolios.

3. Background

Telecare is the broad term used to describe the provision of a home based alarm system. This enables customers to raise an emergency alarm call to a 24 hour monitoring centre. The monitoring centre will then organise the appropriate response. Response options include (i) friends and family (ii) PCC staff or (iii) emergency services as appropriate.

Technological advances are making it possible for an increasing range of automatic sensors to also trigger the alarm. Such sensors can detect, for example, if the client has fallen, failed to take medication or is in danger from smoke or gas etc.

We have two distinct customer types (a) approx 1,500 tenants of Local Authority Housing sheltered accommodation and (b) approx 1,000 private customers in their own homes.

This report is primarily concerned with the private customers.

The “moving into the mainstream” report to the HH&SC executive in March 2008 outlined the need for the simultaneous development of three key elements:-

- growth - the use of telecare be expanded in the private sector
- resilience - an in-house response service developed
- sustainability - funding from savings in care packages plus external contributions

4. Organisational structure

Responsibility for different elements of the telecare service are shared between Adult Social Care, Local Authority Housing, Community Housing and Health Improvement and Development plus one external supplier.

This corporate scope has fostered good working relationships between different departments but has arguably resulted in a lack of clear project management. This issue has recently been addressed by the re-deployment of non telecare tasks away from the core team within Community Housing.

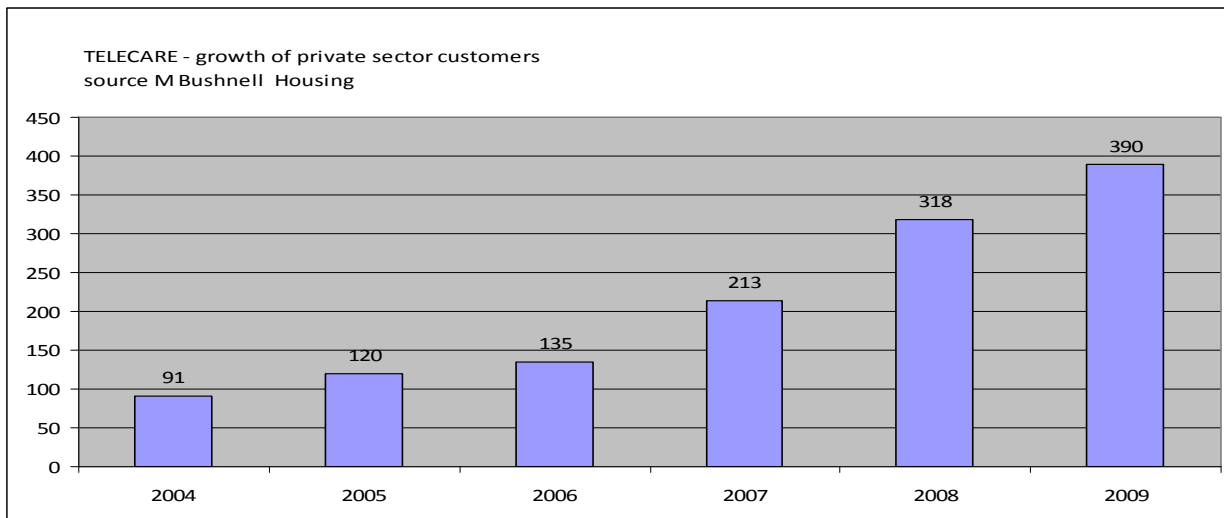
The following table shows the contribution made by different parts of the organisation.

Adult Social Care	The Independent Living Service provide a professional night time response between 9 pm and 6 am, 7 days a week, 365 days per year An occupational therapist works exclusively with the core telecare team
Local Authority Housing	Estate Services Officers are available to respond at any time of the day or night, 7 days a week, 365 days per year
Community Housing	The core telecare team (5 full time staff) are based in Community Housing and are responsible for overall project management plus day to day customer contact (including marketing, installation and income collection) also contract management of the Southampton control centre
Health Improvement	This service provides high level marketing and management support and have seconded a telecare development worker to the core team
Southampton City Council	Alarm monitoring 24 hours a day, 7 days a week, 365 days per year

5. Growth in customer base

Growth in customer numbers is important to the long term sustainability of this service.

The following table illustrates the recent number of new private sector customers per year. Whilst this shows a steady increase, it is nonetheless disappointingly slow, particularly in the light of the short average time which customers subsequently stay with the service.



We are particularly keen to include more vulnerable people who already have a care package provided by Adult Social Care. National evidence shows clearly how this type of alarm service facilitates a sense of independence and safety at home which can in turn delay or even negate the need for residential care.

We are also aware that this service appeals to people who are less dependent on care but nonetheless appreciate the reassurance having the alarm provides.

PCC have recently engaged the services of CACI Limited, a professional market research company, to better understand (a) the size of the potential market (b) commercial market pricing and (c) the best ways to communicate the advantages of this service. The results of this work are expected in late January 2010.

The efforts made so far in communicating to local health and social care professionals are clearly paying dividends. Professional referrals have risen significantly in recent months and now constitute half of all referrals. We aim to continue this momentum with a renewed focus on local GP's.

6. Resilience of service

A major limitation to growth has been the absence of a suitable professional care based response service. However in April 2009 a major stride was taken towards this objective with the introduction of the night time response provided by the Independent Living Service (in operation between 9 pm and 6 am).

This new service is a significant step change in the quality of care provision offered by the Council and has provided exactly the right type of personal care needed to support vulnerable customers.

We continue to ensure that the outsourced monitoring service at Southampton meets the exacting standards we insist on. It is essential that any monitoring service consistently mobilise the most appropriate response option, based on the best possible knowledge of each individual customer.

7. Pricing structure

Portsmouth residents can choose to rent an alarm service from either PCC or a national organisation. This national organisation offers a less comprehensive service and generally requires a significant up-front payment. Many other local authority alarm services make a premium charge when acting as responder.

The current £3.00 per week charge has unaltered since April 2006, (if inflation had been added since that date the charge would now be over £4.00 per week). On balance we consider the PCC service to be very good value for money, especially when you consider the scope of service:-

- **response** – PCC staff always respond in the absence of nominated family or friends
- **rental** – we have no minimum contract period
- **repairs** – we provide a locally based alarm repair service
- **referral** – PCC staff can identify and refer issues to other PCC services

Our pricing principles also separate PCC from more commercial suppliers:-

- we charge for the service (not the equipment) and thus do not discriminate against those with more complex equipment needs
- a means test applies to any customer with a care package from Adult Social Care and provision is made for any customer in exceptional financial hardship
- a keysafe is included in the rental price

It is proposed however that the current charge of £3.00 a week be amended with effect from April 2010. These proposals strike a balance between affordability and financial sustainability.

For all **existing customers a protected rate of £3.30** (an increase of 30 pence (10%)).

For all **new customers** (from April 2010) to delete the current £10 installation charge and have two charging rates:-

- a **normal rate of £5.00** (where nominated responders available 24 hours a day)
- a **higher rate of £7.00** (where nominated responders are not available at night*)

Notes:-

- a) *night equals the time the ILS night response is available (9 pm – 6 am)
- b) these prices may change in the light of the market research data (see section 5)
- c) in the longer term prices will need to support the financial sustainability of this corporate service
- d) the normal / higher band will be based on the likely availability of responders and not number of calls (we do not want customers to have to think twice before making a call)
- e) flexibility is needed to move new or existing customers to the higher rate if the nominated responders are consistently unavailable at night, any change will start at the beginning of the following financial year (it will not be applied retrospectively)
- f) we will need to consider the gradual alignment of the price for both existing and new customers

8. Future developments

We intend to work with our partner organisations in the city to both promote and develop the telecare service. Our overall objective is simple:- “to protect and support our most vulnerable residents”. We intend to achieve by ensuring:-

- the right help is offered at the right time to those that need it
- we reduce the bureaucracy in our systems
- customers and staff can access the information they need when they need it

9. Reasons for recommendations

The change in pricing structure is a first step towards ensuring the telecare service financially self sustaining, especially in the light of extra corporate resources required to improve the response service via the Independent Living Service.

The inclusion of the Cabinet Member for Health & Social Care in recommendation 2 is in recognition of the corporate scope of the telecare project.

10. Options considered and rejected

Options rejected include:-

- continuing the price freeze (for the 5th year running)
- raising the price for existing customers in line with cumulative inflation (over 30%)
- making an arbitrary price rise (uninformed by market conditions)
- raising the price for existing customers in line with new

11. Duty to involve

This report does not alter the service provided to existing customers (other than to note the improvement in the PCC night time response). Furthermore the telecare conditions of contract do not restrict the council from increasing the price.

We intend to give customers as much notice as possible of any price change but do not feel the need to undertake any prior consultation about the reports recommendations.

12. Implications

This service seeks to provide a lifeline to vulnerable people in emergency situations. Corporate risks are thus inherent in the provision of this service. In particular PCC cannot contract out it's duty of care to Southampton - we must continue to ensure that Southampton make the best response judgement based on the best available data

We also face the risk that the current economic downturn may well undermine our efforts to grow the service

13. Corporate priorities

This report and the project it refers to contribute to the following Corporate Priorities:-
“ *Protect and support our most vulnerable residents*”

14. Equality impact assessment (EIA)

An Equalities Impact Statement has been undertaken for this report.

15. Legal implications

The City Solicitor is satisfied at this time that it is within the Council’s power to approve the recommendations as set out in sections 2 & 7 of this report.

16. Head of Finance’s comments

As part of the on-going development of this project a full financial appraisal will be completed. This is dependent on (a) clarification of market pricing and (b) firm projections of customer growth and (c) clearer understanding of the impact of growth on staffing resources.

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Signed by:

Appendices: None

Background list of documents: None

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by Cabinet Member for Housing on 8 February 2010 .

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Signed by: Cabinet Member for Housing