

Appendix 3 - Fees and charges

Financial modelling has been undertaken by the Finance service, working as part of the project, to undertake the required fee structure for the new service. This is based upon a full cost recovery model

The costs taken into account are as follows:

- Staff Costs
- Equipment Costs (*phased over 5 year warranty period*)
- Transport Costs
- Ongoing Website costs
- Marketing & Promotion costs
- ARC Costs (*Alarm Response Call Centre*)
- IT SIM card monthly costs
- Misc Supplies & Services

Initial start up costs for the project totalling £80k have been allocated funded from the Better Care Fund and are excluded from the costings. Funded costs include:

- Project Lead salary costs
- Website set up costs
- Brand & Creativity set up
- Initial IT and data migration costs

The factors taken into account are as follows:

- Projection based on current customer numbers (*see below*)
- Purchase of equipment based on current levels (*see below*)
- Staffing Structure in line with current staff (*see below*)
- Engineers timings (*see below*)
- Fees & charges (*see below*)
- Model required to cover direct costs and contribution to overheads

Customer numbers

The model is based on customer numbers as follows :-

Customers	Actual 2019/20	Projected Year 1
Standalone	30	30
Telecare	504	504
Telecare Plus (9pm -6am)	398	398
Telecare 24 Hour Response	97	97
Total Telecare Customers	1,029	1,029

Current customer numbers are in line with the projected figures

Equipment Costs

Equipment Costs	Year 1
Average Equipment per Customer	£209
Projected Equipment Purchase Value	£221,839
Charged to Income & Expenditure	£44,368

Demand for equipment is assumed to continue at current levels per customer

Historically equipment costs not exceeding £30K per year have been funded using the Private Sector Housing Capital Programme and this contribution has been assumed to continue for one year following the digital launch.

Staffing Structure

Position	FTE
Team Leader	1
Safe at Home Officer	4
Administrator	2.5

Engineers timings

Duration	Preparation	Installation	Cancellation	cleaning of equipment	travel time	Total hours
Installations	0.5	1.00			0.75	2.25
Switchovers	0.5	1.00	0.25		0.75	2.50
Cancellations Digital Equipment			0.25	0.25	0.75	1.25
Cancellations Analogue Equipment			0.25		0.75	0.50

The model assumes the average timings per customer as listed above.

Fees & Charges

Main Service offered by Safe At Home team (TEC)

Fees for the services have not been increased since April 2018.

With the implementation of the new digital service the costs and fee structure have been reviewed. Under a full cost recovery model, there is a requirement for the service to cover the direct costs, whilst continuing to make a contribution towards the fixed overheads. In order for the service to continue to fulfil this requirement, the following fees are proposed.

The Safe at Home Standalone and Basic service weekly fees will be increased by a small margin to ensure they continue to breakeven.

The weekly fees for Safe at Home Plus and 24hr services have historically been substantially subsidised as they went through a pilot phase. Original pilot fees have now been reviewed and assessed and the prices will now reflect the level of support and response offered to our customers and to ensure the service continues to fulfil its requirement to fully recover its costs.

All weekly fees include cover for repairs and maintenance, call outs, cancellation and collection charges. The initial installation charge for new customers will cover the installation of all TEC equipment, the installation of a keysafe and a home safety assessment.

The requirement for additional equipment will be reviewed on an individual basis. During installation an assessment of need is carried out and any additional equipment needs are identified. This service and the equipment provided are included within the weekly rental fees stated above.

This has resulted in a fee structure as follows;

	Safe at Home Standalone	Safe at Home Basic	Safe at Home Plus	Safe at Home 24hr
Weekly fee	£4.80	£6.80	£10.00	£15.00
One off setup fee	£55	£55	£55	£55
Installation of equipment	✓	✓	✓	✓
24/7 monitoring service	*	✓	✓	✓
PCC Response Service	*	*	9pm - 6am	24/7
Additional equipment available <i>Subject to an assessment of need</i>	✓	✓	✓	✓
Repair & Maintenance of equipment <i>Including call outs</i>	✓	✓	✓	✓
Keysafe required	*	✓	✓	✓
Phone line required	*	*	*	*
Cancel any time	✓	✓	✓	✓

Name	Current Price Analogue Service	Proposed Price Digital Service
Safe at Home Standalone	£4.50	£4.80
Safe at Home Basic	£6.54	£6.80
Safe at Home Plus (9pm to 6 am)	£8.79	£10.00
Safe at Home 24hr	£10.00	£15.00

Name	Description	Price
Installation charge - Safe at Home	New customers installation charge at cost price	£55
Keysafe	Keysafe charged at cost price <i>(see options below)</i>	average £20
Service Cancellation Charge	This is included in the weekly rates	£0.00
Maintenance & Repairs	This is included in the weekly rates	£0.00

The new fees will be charged from April 2022 to March 2023. To ensure that fees and charges remain current, annual changes to fees will be determined by the Director of Housing, Neighbourhood and Building Services, and S151 officer and anticipated to be up to, but no more than CPI+1%, based upon CPI in December of the previous year.

Additional Services offered by Safe at Home Team

Fees have also been reviewed for the other services offered by the Safe at Home team. Minimal changes have been made with the proposed charges as follows :-

Keysafe installation <i>(offered as an individual homesafety service)</i>	labour <i>(charged at cost price)</i>	£30.00
Keysafes <i>Charged at Cost</i>	Combination Keysafe	£9.00
	Master lock keysafe	£20.00
	Keyguard XL Police approved keysafe	£36.00
Basic Home Safety & Security Visit <i>(includes advice & support looking at safety hazards, offers advice to make home safer)</i>	Home assessment visit to vulnerable adults and young families	£10.00
Enhanced Home Safety & Security Visit <i>(Includes installation of equipment)</i>	Home assessment visit to vulnerable adults and young families Includes installation of equipment	£20.00
Equipment	Stairgates & fireguards <i>(resident receiving income related benefit)</i>	item one - £10 additional items - £20 each
	Smoke detectors	£10
	CO2 detectors	£20
	Cupboard locks Corner cushions Bath mats Window restrictors, etc	free

These services are offered to Portsmouth residents and are targeted at vulnerable adults and young families. The home visits are offered at a subsidised cost to help support the residents. Prices have been set to recover the costs of the equipment provided.