

CABINET



URN: URN 22-161

Report Title : Control Centre and Community Alarm Services Emergency
Contract Decision

Report to: ELT – 22 November 2023
Cabinet – 4 December 2023

Responsible Cabinet Member: Cllr Flaxman-Taylor, Cabinet Portfolio Holder for Housing, Health & Wellbeing

Responsible Director / Officer : Kate Price, Head of Health Integration and Communities &
Nicola Turner, Head of Housing Assets

Is this a Key decision ? No

Date added to Forward Plan of Key Decisions if a Key Decision: N/a

EXECUTIVE SUMMARY

The Council currently operates an in-house Alarm Receiving Centre (ARC) which takes calls from sheltered housing resident alarms, dispersed community alarms and provides the Councils' Out of Hours call response service. After charges to residents and tenants for paid-for alarm services, the cost of the ARC is around £200,000 in subsidies from the Councils' budgets.

With the national switching of phonelines from analogue to digital, which is already underway and is due for completion by 2025, the current software and hardware used by the in-house service would require significant investment to maintain this service going forwards. In addition, there is a current service risk associated with the digitalisation of phone lines which requires prompt action to resolve, and additional issues related to this are emerging weekly along with difficulties caused by recent IT changes.

This, combined with significant risk to the service from a lack of resilience in the staffing capacity and limited ability to draw on shift cover from our existing partnership arrangement means we have a significant risk that this service could become undeliverable at short notice, which would put the lives of those relying on the alarm monitoring service at risk.

RECOMMENDATIONS:

That Cabinet:

(a) Supports the direct award of a contract to the current standby service provider, CareLine365, which provides current shift cover in order to minimise risk to residents under existing officer delegations to the Executive Director – People and Section 151 Officer in association with the Monitoring Officer as an Operational Emergency under article (42.10.5) given the possible risk to life.

(b) Notes the procurement of a 24/7 out of hours telephone call answering service needed to deliver the emergency out of hours call handling (currently provided by the alarm monitoring service as an additional service) will need to be expedited as a result of the above.

1. INTRODUCTION

1.1 The Council currently operates a non-statutory Alarm Receiving Centre (ARC) which provides a monitoring service for sheltered housing tenants, community alarms and associated assistive technology, as well as providing this equipment for rental to residents for a fee from its Wherry Way office. This service is provided from a small in-house team providing one staff member who monitors incoming calls operating in 24/7 shifts. Gaps in shift cover and staff breaks are provided by an external contractor under agreement (CareLine365 – part of the Appello Group based in Norwich).

1.2 Alarm connections currently provided are listed below:

- Sheltered housing alarms – 945 individual properties and 105 communal/fire connections;

- Community alarms – 915 connections/users (Supporting 973 individuals, 55 out of borough);
- Be-at-Home alarms – 70 temporary units for people being discharged from hospital.

1.3 In-house staffing resource is made-up of 13 posts:

- 1 x Community Alarms Officer – Grade 5 – 37hrs
- 1 x Business Support Officer – Grade 4 – 15hrs
- 7 x Control Centre Operators – Grade 3 plus enhancements – various shift patterns covering 24/7 operations
- 4 x Relief Control Centre Operators – Grade 3 – various shifts, two posts vacant

1.4 The service, while receiving an income from its alarm monitoring and rental services to residents, currently runs at a significant financial loss to the council.

The summarised expenditure cost and income based on previous and current yearly budgets is shown below:

| | |
|---|-----------------|
| Staffing costs (inc. on costs) | £366,431 |
| Non-staffing costs (inc equipment) | £174,948 |
| Total direct costs | £541,379 |
| Income (alarm connections, rental, OOH charge inc. VAT) | -£335,834 |
| Deficit | £205,545 |

1.5 Almost all Community Alarms need upgrading to digital as the national rollout (from analogue to digital telephony) continues. The cost of upgrading to digital is approximately £200 per unit, with a lifespan of approximately 5 years. The weekly charge to rent a Community Alarm unit without monitoring is £1.90 (exc. VAT). The new digital alarms additionally incur a cost of £48 per unit for an annual SIM data connection. Therefore, it takes approximately 4 years of the 5-year lifespan to pay for the initial investment before there is a small surplus if fee increases were not made to pass the costs on to customers.

1.6 To maintain the service as-is and make ready for the new digital specification would require the Council to spend c£130,000 investment to replace current analogue alarms to digital alarms and also absorb the £48 per unit per year i.e. circa. £44,000 per annum for SIM data card costs to support connectivity, as well as increased costs for a digital monitoring platform of around £12,000 per annum.

1.7 The TSA (TEC Services Association) is the industry and advisory body for Technology Enabled Care (TEC) in the UK. The TSA provide an independent, not-for-profit organisation which provide consultancy and advice services to organisations providing TEC services. Alarm Receiving Centres (ARCs) can get TSA accreditation for meeting their industry standards. GYBC does not hold TSA accreditation and, within existing structures and staffing levels, it would not be able to reach the standards required to gain accreditation.

1.8 In order for the Council to be able to reach the required TSA accreditation standards as a minimum, the cost to the Council would increase the deficit to around £461,000 including

recharges - an increase of £95,000 on current staffing costs as this requires more than one call handler to be on-shift at any time with supervision, as well as increased costs of digital equipment and software.

- 1.9 There is no scope to increase the fees in order to recoup an additional income of this magnitude as the service is currently one of the more expensive on the market, despite not being TSA accredited or fully digital, and the market is very competitive with commercial providers with larger operations able to offer much lower rates to residents. An increase in costs would likely result in a decline in clients, increasing the service deficit.

Example comparison costs are shown below:

| Operator | Set Up Cost | Monthly cost for basic alarm and monitoring |
|----------------|-------------|---|
| GYBC | £54 - £65 | £17.58 |
| CareLine 365 | £0 | £11.99 - £15.99 (free £15 voucher) |
| Telecare24 | £45 | £9.00 - 13.99 (free key safe) |
| n-able (Norse) | £0 | £15.99 |

- 1.10 The digital upgrade also has an impact on the sheltered housing provision. The current hardware for the alarm system was designed for operation on analogue phonelines. The move to digital telephone exchanges (happening now) and change to all phonelines being digital by December 2025 is a serious operational risk as the system is less reliable when operating over digital lines as calls can drop out and not reach the ARC. An upgrade is required to ensure security of connection as the digital change increases pace and completed in December 2025.
- 1.11 The above has resulted in the need to look at the options in the market for an alternative to ensure provision for residents, sheltered tenants and vulnerable community alarm customers, which meets their current and future needs in an affordable way for which officers have engaged the services of the TSA to assist us with market analysis and advice.

1. PROPOSAL

- 2.1 Were the Council to retain the in-house ARC, there would be a significant increased cost which cannot be met by the available budget. Therefore, retaining the service as-is, is considered not feasible on detailed options appraisals.
- 2.2 For the purposes of value for money, it is proposed that the ARC is not separated by its service delivery for sheltered housing tenants and community alarm customers (it is not possible to divide the service use as the staffing levels remain the same) which may result in a more favourable financial cost to the HRA for long term as the more lucrative customer base is included in the package.
- 2.3 There are a number of key requirements identified by officers in the development of these proposals which are key to include as minimum requirements for the benefit of residents and the futureproofing of the service in terms of growing health needs and emerging technology:

- Any new service should be able to TUPE existing staff.
 - Provider should be TSA accredited and maintain that accreditation.
 - Any new monitoring service should have open protocols which allow equipment from any supplier to be monitored rather than restricted to only equipment supplied by the monitoring company.
 - Provider will take on the responsibility to upgrade dispersed equipment to digital.
 - Provider to have technology in place (digital bridge) to minimize the risk of call dropouts during the national analogue to digital switch-over and post switch over.
 - Provider to work in partnership on key current projects enabling hospital discharge (Be at Home).
- 2.4 Ideally a provider would also have an option for the Council to be a referral partner with a payment made for identifying new customers however this needs testing with the new external provider.
- 2.5 A full tender process would be expected to result in a new service being mobilised and operational in January 2025. This would present 14 months of running with the current service risks.
- 2.6 Given the increase in immediate risks identified which officers believe are likely to impact on loss of life (should the Council's service fail to respond to an alarm call owing to either lack of staff cover or analogue to digital drop-out) this report proposes a direct award to the existing partner organisation which provides staff cover to the in-house staff given the timescale for a full procurement. Were this process to go to a full tender process, there is a significant risk that during this timescale the Council could be in a position where at short notice it becomes unable to deliver this service in its current form.
- 2.7 In order to achieve this, officers recommend that article (42.10.5) of the Councils' Constitution be invoked to deem this an Operational Emergency as there is a possible risk to life from a service failure given the circumstances listed below with regards to unforeseen service resilience in both staffing and external availability of cover. These factors, along with the digital rollout increasing risk, are not within the Councils' control.
- 2.8 With staff aware that this is being explored for some time and that it is likely that an external provider will result, many have expressed an interest in leaving given the level of uncertainty. With recruitment so challenging at the moment, it is likely with their skills and experience that control centre staff will be able to source suitable employment in a very short space of time.
- 2.9 Equally, with a shortened procurement via a direct award, existing staff will be able to transfer to the new local service provider thereby reducing the risk of staff leaving.
- 2.10 Currently the service has such low staffing levels that it is not possible to cover all current shifts, and the in-house service has an agreement in place with CareLine365 (also known as LifeLine who are part of the national Appello group). CareLine365 has an agreement to cover shifts as needed and as able, as well as breaks for the call handlers as they work solo, from their office in Norwich.
- 2.11 CareLine365 maintains staff trained in the Councils' current analogue monitoring platform, Jontek, in order to be able to provide the cover the Council needs as it is not part of their standard service delivery. They have noted that they would be unlikely to be able to cover the whole 24/7 service delivery should there be a service failure due to lack of Council staff. They

will also have a reduced ability to cover shifts should there be any illnesses or covid outbreaks over the winter period in their own staff which means we do not have a guaranteed fallback should the service be unable to cover shifts.

- 2.12 As this service is potentially lifesaving, it has been established that this risk and the potential outcome for tenants and community alarm service users if their alarms were unanswered, are such that under the constitution we can enact a waiver as an operational emergency and move to a direct award instead of completing a full procurement process.
- 2.13 Should the Council be found to have known about these risks and not acted in a timely manner and a service failure result in a preventable death then the council would likely face a significant investigation and adverse ramifications – legal, reputational, and potentially financial.
- 2.14 With the ARC being externalised from the Council, this also requires the current Out of Hours offer to be reviewed (which is already in progress) and an alternative provider for this 24/7 call handling sought. As the removal of the ability to take 24/7 telephone calls, some of which are statutory, may also result in a service failure (given lack of staff cover), it is additionally recommended that a new 24/7 out of hours services for the Council is sought by way of a Request to Quote as a waiver of full procurement based on the timescales and level of risk. As this risk is under £250,000 that this can be approved by the Executive Directors under guidance from the Monitoring Officer, this element is for note as required due to unforeseen circumstances.
- 2.15 It is proposed that Cabinet approve this recommendation to a direct award under a waiver under the identified provision in the Councils' Constitution based on the significant level of risk to clients and the financial risk to the Council for alarm monitoring and in due course.

3. NEXT STEPS

- 3.1 To continue with the consultancy already in train with the TSA to undertake due diligence of the Councils' existing provider, CareLine365 to determine that this external provider can meet the minimum requirements outlined in the above section.
- 3.2 Utilising this external and industry leading support, officers will negotiate an initial offer from CareLine365 that demonstrates it is able to deliver good market value and best consideration for the client base including the ongoing Sheltered Housing alarm monitoring scheme contract. Officers will ensure the proposal is in the best interest of the Council with robust monitoring and ability to enforce high performance standards which safeguards residents' lives.
- 3.3 Using the proposal, the Council will consult with staff and the trade union on the TUPE proposal and ensure this represents a fair offer to staff and ensure there is time to work with CareLine365 on areas of improvement where required.
- 3.4 The Council will agree a communications plan with Sheltered and Community Alarm users to ensure they are aware of the coming changes. For sheltered tenants, there is no requirement to consult on a change as it is operationally minimal, however there is a risk that should they wish to test or enquire about the move they use their alarm to call the Council (this is a regular occurrence for repairs and general enquiries) and if this happens it may prevent

legitimate alarm calls from coming into the ARC due to busy lines so it is in the councils' best interests to communicate the changes clearly to tenants as early as possible.

- 3.5 Community alarm customers will need to opt-in to the move to an external provider as it is not covered under their existing contract. Therefore, all customers will need to be written to regarding the changes and actively opt-in to being transferred.
- 3.6 Officers will work with CareLine365 to prepare the Jontek data for a transfer to their digital Evo platform.
- 3.7 Out of Hours service provision will need to be in place by the move over so contracts for this will be given priority as well to ensure no risk to the service with the necessary legal advice sought.
- 3.8 Expected timescales to minimise the risks set out in this report are:
 - December 2023 – January 2024: Engage with TSA for consultancy support; work with CareLine365 to establish a formal proposal; get the data ready to migrate; communicate with customers to inform of changes including GDPR opt-in.
 - February 2024: Consult with staff on TUPE proposals.
 - March 2024: Agree and sign contracts; mobilize data transfers.
 - April 2024 – new service begins with no gap in service provision for residents.

4. FINANCIAL IMPLICATIONS

- 4.1 The implication of not undertaking an out-sourcing model, even outside the current risks, is that the HRA and GF will carry the increased, and as yet not fully known total capital costs of the digital switch-over. This is a minimum of £235,000 in the short term on interim technology and dispersed alarm upgrades.
- 4.2 Potential annual savings of £200,000 per year to the council cannot be realised against the existing costs of running an internal alarm receiving centre as per 1.4 costs summary.
- 4.3 To meet TSA accreditation and the change to digital software and hardware (not including the initial capital costs) would increase budgets for the service by approximately £300,000 on top of the current £200,000 deficit, increasing the budget of the service which would need to be met by the General Fund.
- 4.4 There will be costs to a procurement exercise with TSA consultancy of c.£20,000.
- 4.5 To not act and be found negligent if an alarm call is not responded to would pose an unknown but significant potential financial risk to the Council.

5. RISK IMPLICATIONS

- 5.1 The risk of allowing the service to continue as it stands for a longer period of time is potentially risking the lives of residents should the service fail for lack of staff to answer calls or ensure the operation running of the service at short notice.
- 5.2 Missing alarm calls could lead to the council being held responsible for negligence in the case of a tenant or resident's death should the alarm not connect due to the digital upgrade of telephone exchanges and phone lines which is a known risk.

- 5.3 Delaying decisions in this report longer term, outside the immediate risk, will mean the council still has to upgrade the sheltered housing alarm equipment in the interim to adapt the system to full digital functionality (circa £104,000). This may or may not be compatible with the successful contractor and therefore presents a financial waste.
- 5.4 As this digital switch-over is happening UK-wide, there is a risk that the limited market of quality providers may be engaged with bidding for other contracts and may not be as receptive to a smaller quantity of connections when there are more lucrative contracts on offer.
- 5.5 Ongoing issues with our own IT services are already posing issues with our VPN regularly causing periods of non-coverage when external call monitoring is used which would not be required with a direct service, reducing risk significantly.
- 5.6 To not act based on the known risk to life risks in the immediate term would put the Council at risk of being found negligent should there be no service available when an alarm is activated.

6. LEGAL IMPLICATIONS

- 6.1 This process to procure with a waiver will require legal and HR advice and procurement support in relation to staffing and availability of choice in a limited digital alarm market.
- 6.2 There would be a legal implication if we were unable to provide at short notice a service for which we are contracted by the almost 2,000 customers to provide to them as a paid service.
- 6.3 The legal basis within the constitution for requesting this approval to act as an operational emergency is:

42.10.5 Operational emergency

(a) Subject to any legal limitations, the Head of Paid Service, the s151 Officer or an Executive Director, having consulted the Monitoring Officer (or their nominated deputy), may approve an exemption to any part of these Contract Standing Orders that is necessary because of an Operational Emergency creating immediate risk to life, persons or property within the Borough or causing serious disruption to Council services (including any emergency or disruption under the Civil Contingencies Act 2004). An Operational Emergency is a situation that is the result of an unforeseen event over which the Council has no control. This procedure must not be used when a requirement has become late due to lack of planning on the part of the Council.

(b) Full documentation must be completed regardless of the urgency of the requirement and a full and transparent audit trail must be made throughout the procurement process. Where the value of the Contract is over £250,000 a report supporting the use of this power must be taken to Cabinet at the first available opportunity.

- 6.4 While full costs of the contract are not yet known until the TSA supported negotiations begins, it is prudent to consider the life of the contract could be, but may not be, over £250,000 and therefore Cabinet is requested to approve this action.

- 6.5 The Call Monitoring associated contract will be under this threshold therefore appropriate senior officers will be able to fulfil this approval, but it is asked that Cabinet note the required additional action.

7. CONCLUSION

- 7.1 It is vital for the Council that it takes these decisions imminently based on the risk to alarm users, the potential financial impact and associated legal risks. With these risks in place it is our obligation to ensure we do all we can to mitigate these to avoid risking lives.

BACKGROUND PAPERS

- Previous ELT Reports dated March 2023 and updated appraisal of market options for services in-scope.

| Consultations | Comment |
|-----------------------------------|----------------|
| Monitoring Officer Consultation: | As part of ELT |
| Section 151 Officer Consultation: | As part of ELT |
| Existing Council Policies: | N/A |
| Equality Issues/EQIA assessment: | Yes – on file |