

## Appendix I

### Somerset West and Taunton - Fees and Charges 2019/20

#### Deane Helpline

The Deane Helpline Service provides community alarms, 24 hour monitoring, installation and emergency response services to over 2,900 vulnerable residents and community alarm monitoring, Out of Hours Service and Lone Worker Monitoring to Somerset West and Taunton Council and external corporate customers which include Housing Associations and other Local Authorities. Overall there are approximately 11,000 calls monitored by the service, being either direct customers or on behalf of other organisations.

Deane Helpline last raised charges to private customers in 2017/18 financial year.

The below table sets out our competitors pricing and how our own current pricing compares against this.

Provider	Installation Charge	Weekly Charge	Total 1st year costs	Emergency Response
Forestcare - With Response	£0	£15.00*	£780.00	Yes
Your Homes Newcastle - Now Ostara	£0	£5.95	£309.40	No
Hereford Careline	£50.00	£7.66	£398.32	Yes
Poole Lifeline	£0	£5.77	£300.04	Yes
Oxfordshire County Council	£?	£10.00	520.00	Yes
Magna West Somerset	£0	£5.43	£282.36	Yes
Progress Lifeline	£20.00	£5.10	£285.20	Yes
<b>Deane Helpline</b>	<b>£35.00</b>	<b>£5.86</b>	<b>£304.72</b>	<b>Yes</b>
Sedgemoor Careline	£42.50	£4.54**	£278.58	Yes

\*Forestcare offer a response service at £15.00 per week, however this only caters for up to two emergency response visits per month (24 per year). Any additional is charged at £31.00 per visit, per person (<https://www.bracknell-forest.gov.uk/health-and-social-care/forestcare/responder-service> ).

\*\*Sedgemoor currently offer up to five emergency response visits per year for the £4.54 weekly price. Any additional callouts are then charged at £50 per call out (<https://www.sedgemoor.gov.uk/lifeline> ).

As set out, the current charge for private customers is £5.86 per week. It is proposed to increase this price by 2.2% for the 2019/20 financial year which will see the new weekly charge set at £5.99 per week. The rationale for this increase is to ensure that prices are increasing to cover the rising operational costs of the service, whilst also remaining competitive in the market. Deane

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Helpline, has seen staff costs rise by 2% in this year's financial year (2018/19), meaning the 2.2% rise will offset some of this expense.

### Installation Charge

Deane Helpline currently charges for installation of the lifeline equipment. A number of other competitors have moved to posting out equipment and expecting the customer to install themselves. This is something that Deane Helpline has explored, however the service prides itself on being customer orientated and delivering the service from start to end for the customer. It was felt that although posting of the equipment would reduce some level of cost in the short term, this may lead to further cost being accrued if installation had not been completed successfully by the customer.

The current installation charge is set as a one off payment of £35. As set out in the above table this is cheaper than a number of other competitors that still operate an installation service. As we grow and expand into new areas such as West Somerset, our costs increase as a result. With the sector on the cusp of a digital transition, Deane Helpline officers are beginning to come across new BT Openreach digital hubs, which make the installation process longer and therefore less customers being installed in a typical day. Therefore it is recommended that the current installation charge be increased from £35.00 to £40.00 as of the 2019/20 financial year.

### Telecare Equipment/Sensors

Telecare equipment, such as smoke alarms and carbon monoxide detectors that link to the lifeline alarm to automatically call through to the control centre when smoke/carbon monoxide are detected are rising in popularity with customers. For many years this peripheral equipment has been charged at a standard rate of £0.50p per week extra to the standard £5.86 price. However, this needs to be radically reformed as in some cases this model is costing the service money.

There is a great deal of telecare equipment available, some more popular than others. Whilst smoke detector costs circa £40, other pieces of telecare such as a Pivottell medication dispenser costs the service £208.00 to buy. Deane Helpline are then charging the customer £0.50p per week for the use and monitoring of the machine. In real terms this means that with the current charge of £0.50p per week it will take Deane Helpline approximately 8 years to claw back the initial outlay on purchasing the machine for the customer.

Whilst on occasions these machines can be re-used for different customers, in all likelihood the machine will reach its end of life prior to the 8 year payback period. Therefore it is proposed that the current charging system is reformed to represent the following tiered base charging:

Telecare £100 & under	Telecare £100-£200	Telecare £200-£300+
£1.90per week	£3.80 per week	£5.70 per week

The prices illustrated above are based upon a principle of recouping the initial financial outlay by the service within the first twelve months of the machines

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life. This means that after twelve months of the machine being installed, they are producing a profitable return for the service and also ensuring that there is at least 3-4 years of life left in the machine, so even if the initial customer no longer wishes to have the telecare equipment, it can be reused for other customers.

Whilst the above sets out Deane Helplines strategy to one off purchases of telecare equipment, it is also suggested that to remain competitive and to assist with marketing purposes then a new 'service package' is introduced to enable further choice to customers. This new package would be the standard service currently offered at the new proposed price of £5.99, but to also include a choice of two telecare sensors that the customer could choose, from a predefined list as designed by Deane Helpline. This lists would include the more 'popular' sensors such as smoke alarms etc that are also priced under £100. The suggested price for this package would be £8.50per week, again based on the principle of recouping the cost of the equipment within the first 12 months.

### **Welfare Calls**

Deane Helpline offers customers the opportunity to have 'welfare or contact service calls'. These calls are currently utilised by customers for anything from reassurance and or to combat social isolation, to more proactive uses such as reminding to take medication or blood sugar levels etc. The price of these calls are and have been for many years £0.50p per call. Again these prices have not risen to take into account the rising costs of staffing, telephone calls etc. It is therefore recommended that these prices rise to £0.86p per which covers the rise in costs for making the call and officer time in undertaking the call and any necessary resulting actions.

### **GSM Lifelines**

GSM lifelines are lifelines that are installed predominantly for those people that do not have a phone line within their homes. The GSM unit utilises a roaming SIM card within the machine that uses a cellular connection rather than an analogue telephone line connection. Because these units rely upon a SIM card there is a cost attributed to this at £6.50 per month, of which Deane Helpline retains £0 as the service is billed by our SIM provider for the use of the SIM-Deane Helpline does not charge a mark-up on the SIM cards.

Deane Helpline pass this cost onto the customer meaning currently a customer using a GSM machine will pay £31.89per month (£5.86p/w service/£6.50p/m SIM Charge) as opposed to £25.39per month with the standard lifeline. However, there is also an additional charge to Deane Helpline for the GSM machines. The 'standard' lifeline unit costs Deane Helpline an initial outlay of £99.00, whereas the GSM unit results in an initial outlay of £199.00.

Therefore it is taking double the time to obtain the return on investment made on the GSM machine than the standard machine. As such it is recommended that an extra £1.00 charge per week be included for the use of a GSM lifeline to assists with returning the outlay on the GSM unit, meaning a charge for GSM's to be £6.99per week, plus the £6.50per month SIM charge meaning a total cost of £36.79 per month.

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### Housing Revenue Account

The charge to the Housing Revenue Account had been frozen for a number of years until a discount of £1 per week was achieved. With the price increase that was set for the 2017/18 financial year this achieved the goal and the charge to the Housing Revenue Account (HRA) was set at £4.86 per week.

Deane Helpline finds itself undertaking additional tasks that would not have been originally agreed and costed within the Service Level Agreement. The cost of the service to the HRA, and the associated impacts on the budget of Deane Helpline will be a feature of the planned commercial review. It is therefore proposed that no increase will be applied for HRA customers.

### Corporate Contracts

Corporate Contracts will increase by the average rate of CPI over the preceding 12 months, this is 2.3% unless specifically stipulated in the contract.

### Discounts

No discounts are available; all private paying customers pay the same.

TDBC Tenants are charged via their Service Charge an amount based on the Service Level Agreement between Deane Helpline and TDBC Housing which due to the economies of scale is less than private customers pay.

External contracts are priced according to their number of connections, their annual increases are stipulated by contract.

### Budget Impacts

Income from private customers will increase by approximately £7,000 p.a. and approximately £3,000 will be raised in the increase in installation charge based on the number of installations from the previous year, all of this is subject to fluctuation as it is an on demand service.

As detailed in the report other costs such as the annual pay award of 2% have increased costs, however the introduction of a new charging model for telecare equipment will assist greatly in reducing costs to the service.

### Recommendation

It is therefore recommended that:

- The charge for private paying customers increases to £5.99 per week;
- The installation charge is increased to £40.00;
- A new charging model and pricing bracket be brought in for telecare equipment as outlined in the table above for all new customers;
- 'Welfare Calls' to be charged at £0.86p per call;
- A new 'service package' be introduced to accommodate the standard lifeline provision and a customer's choice of 2 telecare peripheral at £8.50per week;
- An increase of £1.13per week for GSM lifeline units, taking the cost to £6.99per week;
- The charge to the HRA for TDBC Tenants is held at £4.86.