

REPORT

By: Caroline Highwood – Director of Resources, Adult Social Services

To: Supporting People in Kent Commissioning Body

26 June 2008

Subject: Unit Cost of Community Alarms

Classification: Unrestricted

For Information

Summary: This report asks the Commissioning Body to agree the unit price of Community Alarms.

1.0 Introduction

At the Commissioning Body meeting held on the 10 September 2007 it was agreed that the Team would carry out a market testing exercise on the current community/social alarms services for older people across the county.

2.0 Consultation

In order to facilitate this process, a consultative group consisting of local Emerging Role of Sheltered Housing (ERoSH) members was formed to aid discussion and comment. This group met on three occasions to assist putting together the service specification for community alarms.

Service user consultation on the specification began in October 2007 and concluded on 31 January 2008. There were no significant comments against the proposed specification with the majority of comments concerning the current length of time taken to answer the alarm call.

3.0 Market Testing

The Supporting People Team have been unable to gain a true understanding of the appropriate costs for the provision of a basic alarm, a call centre response and the provision of maintenance for the unit. There are differences in operation across the county, and lack of clarity as to

what is included in the current costs funded by the programme (for example the nature of the actual response, and whether maintenance costs are included or excluded). This means that a more in depth analysis of the position is required before steps can be put in place to meet the Commissioning Body's aspiration, and to achieve the proposed revisions to the service.

Providers of community alarm services were contacted via a questionnaire to enable the Supporting People Team to identify the cost of a unit of provision. The initial response to the questionnaire proved disappointing.

The Core Strategy Development Group requested the Supporting People Team write to those providers who did not respond to the initial market-testing questionnaire, underlining the significance of this process to meet the Commissioning Body's aims.

The second response proved more positive with 72% of providers responding to the questionnaire.

4.0 Cost of Units

The Commissioning Body of March 2008 asked that its members without their own stock or alarm service meet to decide on the unit cost of a community alarm.

Members of the Commissioning Body from Thanet, Maidstone, Tunbridge Wells and Kent Probation met on 2 May to decide the unit cost but were unable to complete this work due to concerns about the average price of £1.84 identified from the returns from questionnaires. The group were uncertain that the average price was truly reflective of the actual cost of alarms considering that some of the returns included a certain amount of housing related support. The group instructed that the Supporting People Team contact call centres identified by Supporting People contract holders as providing alarm services, asking them to advise on a unit price for alarm provision using the agreed specification as a guide to the required service.

The Supporting People Team wrote to twelve call centres and received five replies by the requested date. All of the responses received were from providers of alarm services within Kent. From these returns the average cost of a community alarm was identified as £1.50.

The sub group of the Commissioning Body including members from Maidstone, Swale and Probation met again on the 23 May 2008 to consider these responses and proposed that the cost for a unit of community alarm provision be set at £1.50 per unit per week.

5.0 Contract Issue

Once the proposed unit price has been agreed, the Supporting People Team will write to providers advising them of the contract value for their alarm provision and will provide a briefing for elected members as well as a press briefing.

Providers of alarm services will be informed that the contract price is non-negotiable and that the contract value for alarm provision will be separated from the contract value for the provision of housing related support, if the service is not a pure alarm only service. Providers will have the option to agree the contract value for alarm provision, at which point a new contract will be issued.

If a provider does not accept the agreed price the units will form part of a tender to be awarded by April 1 2009.

Once the contract value for alarm provision has been agreed with providers the Supporting People Team will be undertaking further work to understand the real cost of a unit of support for older person's services. With the cost identified the Team will enter into discussion with all providers to ensure that contract values for the provision of older persons support reflect the identified price.

5.0 Conclusions

The market testing of call centres indicated that a unit price of £1.50 be applied to a unit of community alarm provision.

6.0 Recommendations

- i) The Commissioning Body is asked to note the contents of this report.
- ii) The Commissioning Body is asked to agree the unit price of £1.50 for community alarms

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Background Information:

None

Appendix one: Briefing for Elected Members

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Supporting People in Kent

Strategic Review of Older People's Services

Community/Social Alarms

Briefing for Elected Members

Introduction

Elected members will remember that in September 2007 the Supporting People Programme Commissioning Body met to agree the final recommendations relating to the strategic review of older people's services. It was agreed that the Supporting People Programme would continue to fund housing related support and alarms within sheltered housing schemes. This has not changed.

However it was agreed that the Programme would separate out the contracting for, and costs of alarms and housing related support. This was to ensure that a value for money approach was adopted, and that the service that was to be delivered was clearly specified for both. Any savings identified as a result of this work would be reinvested into the provision of alarms for people in sheltered housing who are not currently being funded as part of the Programme in Kent.

We felt it was important to brief elected members prior to the commencement of negotiations in relation to the contractual price for alarms, and housing related support. This is because we felt that it was possible that older people within sheltered housing schemes may be misinformed about what is happening or may misconstrue what the Programme is trying to achieve, and might assume wrongly that the services that they receive and value could be under threat. This is not the case.

The Recommendations (September 2007);

The Supporting People Programme will continue to fund community alarms in sheltered housing and Almshouses. The Supporting People Team requires providers to ensure that alarms are compatible with Kent Adult Social Services Telecare Services.

The Supporting People Team will carry out a 'market test' exercise for alarms and will set a ceiling on charges for alarm services, which will be introduced by April 2009 at the very latest. Any excess cost identified by this process would be reinvested in extending the availability of community alarms.

By 2009 at the latest there will be a separate contract schedule for housing related support and a separate contract schedule for community/social alarms for each provider. Community/social Alarms will be costed out separately to housing related support following the market testing exercise.'

The Specification for Service

The Supporting People Programme has agreed a specification with the Essential Role of Sheltered Housing (ERoSH) group. This is a membership body of many sheltered housing providers in Kent. The specification describes the community/social alarm service that the Programme wishes to buy. The specification describes a service which is purely a monitoring service with no physical response to the alarm i.e. the programme are not paying for a support worker to go and attend to the individual who triggered the alarm. Provision has been made for maintenance of the alarm.

How will we arrive at a market rate for community/social alarms?

A market testing exercise has been undertaken to understand the market rate for such alarm provision and from this an indicative price has been set at £1.50 per unit.

Not all providers responded to the market testing exercise, so we are giving them an opportunity to do so. They would need to give us very good reasons why a market rate of £1.50 per unit is not acceptable.

The Supporting People Team are intending to enter into a period of negotiation with all providers of community/social alarms who responded to the market testing exercise and offer a contract value of £1.50 for each unit currently identified on their existing contract.

Providers will have two options on receipt of an amended contract value;

- Agree with the new contract value and sign the contract and the new rate for alarms will apply from 1st April 2009.
- Refuse the offered hourly rate at which point the Supporting People Programme is able to tender for the provision of the alarm service.

On completion of this process the community alarm element of all sheltered services for older people will be separated from the housing related support element of provision. We will also evaluate how much we think we should pay for housing related support once the unit cost of the alarm has been separated out from the cost of housing related support.

This will be via a benchmarking exercise to agree the true cost of providing housing related support to older people and contract values with providers of older person's services will be negotiated accordingly.

We have also looked at how much is being charged for community/social alarm provision on a national basis to make sure that we are offering a legitimate market rate.

Conclusion

It is vitally important to stress that neither of these processes will result in anyone currently in receipt of an alarm service losing that service. This exercise is purely to ensure that the Supporting People Programme is paying a fair price for an alarm service, which meets industry quality standards and will have little impact on the user of the alarm. There will be no need for any work to be carried out in any property to meet the outcomes of this work. In much the same way that changing gas suppliers does not require any new pipe work or a new cooker, so the changing of an alarm provider will not necessitate any new wiring or a new alarm to be fitted.

The Supporting People Programme is anxious to allay any concerns that may arise as a result of this work and will communicate with all interested parties on a regular basis. Should any further information be required please do not hesitate to contact:-

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