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**Meeting:** Executive

**Date:** 23 August 2011

**Subject:** Award of the Contract for the 24/7 Community Alarm & Emergency Out of Hours Call Handling Service 2011 – 2016

**Report of:** Councillor Mrs Carole Hegley – Executive Member for Social Care, Health & Housing

**Summary:** The report proposes to award the contract for the 24/7 Community Alarm & Emergency Out of Hours call Handling Service 2011 – 2016.

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**Advising Officer:** Julie Ogleby – Director of Social Care, Health and Housing

**Contact Officer:** Basil Quinn - Asset Manager and Carol Rooker - Head of Housing Management

**Public/Exempt:** The report and Appendix A are public, Appendix B is exempt.

**Wards Affected:** All wards within south of Central Bedfordshire Council

**Function of:** Executive

**Key Decision** Yes

**Reason for urgency/ exemption from call-in (if appropriate)** N/A

## CORPORATE IMPLICATIONS

### **Council Priorities:**

The award of this contract contributes to a Central Bedfordshire Council priority, "Supporting and Caring for an Ageing Population".

### **Financial:-**

The new contract is to be awarded for 5 years with an option for a 2 year extension. The contract is due to commence in January 2012, and therefore there will only be a partial in-year saving for 2011-12.

The Community Alarm service is funded from the Housing Revenue Account and for 2011- 2012 is £220k with a budgeted efficiency saving target of £111k. This efficiency saving is achieved if the contract is awarded to contractor G, on the basis of an ongoing budget per annum of £109k. In addition to the planned efficiency saving, a saving of £65k will be achieved over the life of the contract. Full year savings will not be delivered until the financial year 2012-13.

This can comfortably be accommodated in the HRA Business Plan going forward. The full financial evaluation details and explanation are included in the Exempt report at Appendix B.

**Legal:**

The contract has been tendered in accordance with the Council's Corporate Procurement Rules and the OJEU (Official Journal of European Union) Procurement Legislation.

**Risk Management:**

It is anticipated that contract expenditure will be kept within the agreed budget limits.

It was a requirement of the contract that any successful contractor has TSA accreditation (Telecare Services Association). This is the industry standard accreditation which is audited annually and ensures that good customer care and quality requirements are constantly and consistently met. This accreditation is particularly relevant when dealing with vulnerable clients.

If the contract is not awarded there are risks to business continuity and service stability over a prolonged duration.

There is also a risk that if a further tendering process were undertaken, there still may be a low response and the proposed contractor might not bid in the future.

**Staffing (including Trades Unions):**

This service is subject to a TUPE transfer of the existing staff.

The Council's "Managing Change" process will be adopted for this transfer and consultation has taken place with the staff affected by the award of this contract.

**Equalities/Human Rights:**

Equality and diversity are key issues for all directorates within Central Bedfordshire Council. We expect our contractors to comply with our Corporate Equalities Policy and incorporate this within their method statements. As part of ongoing contract monitoring arrangements the Council will check that statutory service delivery and employment requirements relating to equality are being met.

Public authorities have a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

An equality impact assessment has been undertaken as the proposal has been developed and this has highlighted that there will be no significant ongoing adverse impact from the outsourcing of the control centre in relation to service users but each customer will need to be visited to re-direct the phone lines to the new provider. This could cause some anxiety or disruption to vulnerable people and will need to be handled with sensitivity.

The staff directly affected are protected under TUPE however the new contractor could be based beyond a commuting distance and as a result of the transfer, staff may have to relocate their home. This could disproportionately affect staff that are secondary earners in the household or a carer as it is less likely that they will be able to move to the base of the new contractor. There will be some opportunities for redeployment should staff not wish to relocate.

**Community Safety:**

No issues to report.

**Sustainability:**

The tendering process included the Central Bedfordshire Council standard assessment against environmental performance at the initial pre-qualification stage.

The recommendations contained in this report will have no significantly adverse environmental implications.

**Summary of Overview and Scrutiny Comments:**

This report has not been considered by the Overview and Scrutiny Committee.

**RECOMMENDATION:**

**that the Executive agree to award the contract as set out in the exempt Appendix B of this report.**

**Executive Summary**

This report outlines the outcome of the tendering of the 24/7 Community Alarm and Emergency Out of Hours Call Handling Service. The contract should provide improved value for money for the Council, at a time of financial constraint, and also deliver good quality customer care for our residents, with the standard of service being equal to, if not higher than, the service already provided by the Council.

## BACKGROUND

1. The Council currently provides a 24/7 Community Alarm and Emergency Out of Hours Call Handling Service, provided by the Housing Service. The community alarm receiving system receives calls from all sheltered scheme tenants and Careline customers who predominately live in the south area of the district.
2. The operator after receiving a call makes the appropriate decision on the type of response required: this could be a call to the tenant's family, emergency services or the mobile sheltered housing officer, which includes 'out of hours' cover, for which a charge applies. Typically, an operator will contact a named family member.
3. The service is resourced 24 hours a day, 7 days a week, and also handles all of the Council's out of hours calls, the majority of which are housing repair related. Again the operator deals with and provides the appropriate response.
4. A proposal to outsource this service has been under discussion for a number of years. The service by its very nature must be resourced 24 hours a day, and is therefore an expensive service to run.
5. Managers have often been called at short notice out of hours to cover the control centre shifts due to sudden staff sickness; this has occurred over 20 times in the last year alone. This has meant that Managers have been unable to undertake duties related to their substantive roles, due to the required rest periods following their cover of ad hoc shifts.
6. The economies of scale in running and staffing this service by an external contractor will allow the Community Alarm (Careline) part of this service to grow in a way that is not possible within the current capacity (staff resources). In order for the in-house service to grow, there would need to be additional staff recruited to offer the level of support required to respond to callers at busy operational times (e.g. during poor weather).
7. The market has developed over the past 20 years, so there are now fewer but larger alarm suppliers, who can, on a unit cost basis, provide the telephone connections at a far lower cost than the Council is able to do due to volume of business.
8. They will employ a larger bank of staff to more efficiently meet the industry standard. Most local government centres have closed now and business has been taken over by the larger centres, saving local authorities money and staffing problems, especially due to the requirement to have reliable shift cover.

9. The outsourcing of the service will make no discernible difference to customers. Only the call handling part of the service will be undertaken by the new provider, as all responses, when required, will continue to be undertaken on a local basis, consistent with the current arrangement. For example, a Sheltered Housing Officer will respond to an emergency call.
10. In addition the contract has been procured on the basis that the provider must meet the industry minimum of Telecare Services Association (TSA) accreditation, otherwise their bid will be discounted.
11. The Housing Service will continue to market and provide the Council's Careline Service, indeed will seek to grow that service, with all costs related to the Careline Service being contained within the Housing Revenue Account, which is a ring-fenced account, separate from the Council's General Fund. The contractor will still contact the Council and its staff, mainly within the Housing Service, for the appropriate response to any calls received.

## **THE CONTRACT**

12. As the contract includes the Council's out of hours emergency response service, consultation was carried out with all other services that were affected. These are predominately operational services within the Sustainable Communities Directorate.
13. The proposed contract includes the appropriate clauses and procedures to cover proposals specifically relating to the out of hours service and Emergency Planning procedures.
14. This contract, including the out of hours call handling part of the services, will be totally funded from the Council's Housing Revenue Account. This is because the number of out of hours calls per annum, other than Careline and Housing Repairs, are small in number, such that the administrative cost of a re-charging system would cost more than the value of those calls.
15. The Council's Housing Revenue Account is financially viable. The award of this contract will support the efficiency target identified within the HRA Business Plan. The efficiency saving achieved through procurement supports the continued viability of the Housing Revenue Account in the medium term.

## **TENDER EVALUATION**

16. An OJEU advert for the service was placed on 12 October 2010, as per procurement legislation. The advert specified that TSA accreditation is required and the advert generated a reasonable early response.
17. 7 contractors were shortlisted after completing a pre-qualification questionnaire and invited to tender.

18. 5 contractors declined to tender, one because of equipment incompatibility, and 4 because of concerns about the cost and potential complexity of the TUPE implications. We received two tenders, one of which could not be considered as it was received late, despite an extension of time already having been agreed.
19. The Standard Award Criteria Evaluation Model applied to any tender received is a points system based upon 40% of the marks being awarded for financial submissions and 60% for quality submissions. The criteria for assessment of quality are specified at **Appendix A**.
20. The tender received is a strong bid, made by a contractor with considerable experience of running console services under contract, and of managing the transition processes and TUPE implications.
21. A due diligence exercise was completed when evaluating the contractor's bid and supporting method statements, and following this evaluation, it is considered appropriate to recommend the award of this contract, despite it being the only tender.
22. Consultation on the tender evaluation was completed with the lead housing officers, corporate procurement, tenant representatives and the Executive Members for this service.
23. Members of Sheltered Tenants Action Group, as part of the evaluation process, visited the proposed contractor's offices and were very impressed with the quality of the service that they provided to their customers.

**Appendices:**

Appendix A – Tender Award Criteria - 24/7 Community Alarm & Emergency  
out Of Hours call Handling Service 2011 – 2016

Exempt Appendix B –Tender Evaluation

**Background Papers:** None