

Cheltenham Borough Council
Social and Community Overview and Scrutiny Committee -
2nd June 2003

Lifeline Community Alarm Service

Report of the Assistant Director Community Services

1. Summary and recommendation

- 1.1 This report has been brought to the committee at the request of Cllr Stennett and in the context of an increase of £0.52 in the weekly charge to users of the Lifeline Service.
- 1.2 I recommend that the report be noted.

2. Introduction

- 2.1 The management of the Lifeline Service was retained by the council following the restructure of housing services within the council and the formation of Cheltenham Borough Homes. The service is now situated within the newly established Housing Services Team within Community Services under Tracey Murray, the Housing Services Manager.
- 2.2 The Lifeline team consists of two full time officers, one having responsibility for the administration, co-ordination and marketing of the service whilst the other concentrates solely on installing the alarms and carrying out annual test visits for all our customers.
- 2.3 Hereford Control Centre is managed by Herefordshire Unitary Authority who provide the council with a 24 hour emergency answering service, message relay service for its customers and a repairs and maintenance service for the alarms which remain the property of Cheltenham Borough Council.

3. Background

3.1 Customer Information

As at the date of our last invoice run, the council had 878 Lifeline Alarm customers. 223 of these customers are Cheltenham Borough Council tenants and 655 are private paying customers. 87 % of our customers, both private and council are aged 70 and over and 52% of all customers claim VAT exemption by declaring themselves as chronically sick or disabled.

3.2 Council Tenant Users

Up to 31st March 2003 it was council policy not to raise a separate charge to CBC tenants for the use of the lifeline service as it was regarded as a "pooled expense" financed by rents.

The introduction of both rent restructuring and supporting people has required the council to now treat this as a chargeable support service in addition to rent. The methodology for calculating the charge (£2.62 per week) for tenant users was prescribed by government and was subject to District Audit verification.

Tenants with insufficient means, as determined by an income test, do not have to pay the new charge. Their costs are met by the supporting people fund administered by the county council. Those tenants with sufficient means are liable to pay the charge except where they were an existing user at 31st March 2003 - the transitional arrangements require the council to continue funding their costs from the Housing Revenue Account.

3.3 Private Sector Users

The council accounts for the cost and income relating to private sector users within the General Fund.

Private users have always been charged for the service. Before 2002 the charge had not been reviewed for approximately 10 years, as we were unable to extract accurate costing information from Herefordshire District Council on the true cost of monitoring and maintenance. This issue was substantially resolved 18 months ago. At the same time a review of the service was undertaken by Chapman Hendy Associates (a firm of consultants specialising in housing related services). The consultants report suggests that even by increasing the weekly charge to £2.10, such a rate was still below the national norm and that this rate would need to be further adjusted to take into account the full cost of providing this service. Realistic charge increases would also enable a member of staff to have a responsibility for marketing, monitoring and managing this service which in the longer term would increase the viability of the service and ensure that it was sustainable in the longer term.

A programme of increases was therefore commenced at 1st April 2002 to raise charges to achieve a break-even position and enable the service to expand.

This programme was overtaken by the need to introduce charges for tenant users as described above. It was thought to be untenable to have 2 separate charges for users of the same service, i.e. new tenant users paying more than private sector users, hence the budget proposal for 2003/04 that increased the charge from £2.10 to £2.62. It is envisaged that future increases will be kept in line with general inflation.

4. Costings for the Private Sector service

4.1 The cost to CBC of providing the service;

	2003/04 Budget £
Purchase of units	10,000
Monitoring & Maintenance	20,000
Advertising	2,500
Administration + cleaning of units	52,500
Total Expenditure	<u>85,000</u>
Fees for Services	(85,000)
Net Cost of Service	<u>-</u>

This costing is updated from the preliminary estimate shown in the budget papers and reflects confirmation of the administrative and accounting arrangements for supporting people contracts and the final agreements on the delegation of functions to Cheltenham Borough Homes.

4.2 Summary of charges made to customers over the last four years

	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
	£	£	£	£	£	£
Cost per week	1.80	1.80	1.80	1.80	2.10	2.62
£ increase	-	-	-	-	0.30	0.52

NB. 2003/04 increase takes effect from 1st July 2003.

5. Implications

5.1	Financial	None Arising
5.2	Legal	The Council has the power to charge for the service provision for both private sector users and tenants. A standardisation of the rate prevents discrimination against different classes of user whilst promoting the required principle of achieving a break even position in the service provision.
5.3	Personnel	None Arising
5.4	Equal opportunities, social justice and anti-poverty	None Arising
5.5	Environmental	None Arising

Background Papers None

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