

THE FUTURE OF CENTRAL CONTROL

1. INTRODUCTION

- 1.1 In June 2006 a report was presented to both the Housing Health and Social Inclusion Panel and the Cabinet on proposals for the future delivery of the monitoring service for the Council's out of hour's service and the monitoring of the Council's sheltered housing and lifeline customers.
- 1.2 At the Cabinet meeting it was agreed that expressions of interest be invited from local control centre operators to provide the monitoring service and that subject to an investigation into those providers a formal tender process be carried out with a view of selecting a new external provider of the service to commence on 1 April 2007
- 1.3 This report details the results of the selection and tender process.

2. BACKGROUND

- 2.1 Following the decision by the Cabinet, the Housing Health and Social Inclusion Panel established a small working party comprising Officers, Members and Tenant Representatives to oversee the process. These were:-

Councillor Sqn Ldr Michael Pemberton	Councillor
Councillor Mrs Maureen McLean	Councillor
Dave Brown	Assist. Director (Housing)
Sue Reynolds	Sheltered Housing Manager
Jane Wheeler	Lifeline Services Manager
Steve Aplin	Central Control Manager
Pat White	TCG Representative.
Ron Vernoun	Sheltered Housing tenant
Miriam Blakey	Lifeline user

- 2.2 Several meetings were held by the Group to agree the process of inviting expressions of interest and the tenders and the evaluation process to be used. Crucially it was agreed that to safeguard existing service quality any assessment of tenders would be based upon a model that favoured quality over price in the ratio of 60/40. This would ensure that the cheapest price would not necessarily be that accepted and would also ensure that the quality of any new company would be assessed in a structured way.

3. THE PROCESS

- 3.1 The size of the proposed contract meant that the whole process for inviting expressions of interest fell within the requirements of the EU tendering process and as such required strict adherence to where advertisements were placed and timescales between key stages.

- 3.2 An advertisement was placed in the European Contract Journal and as a result the Council received 14 expressions of interest. Only one company was from outside the United Kingdom.
- 3.3 All those who expressed an interest were sent an initial technical and financial questionnaire. Not all companies returned these documents but of those who did they were assessed against agreed criteria. Following this exercise only seven remained that were considered suitable to go to the next stage of the process.
- 3.4 All seven who had reached that stage were visited by Officers to confirm their suitability and to ensure that information they had submitted was factual. Following these visits one further company was excluded in that they had actually failed to meet one of the basic technical criteria (they did not have TSA accreditation although they were in the process of applying).
- 3.5 At this stage of the process it was considered that the remaining 6 companies were able to offer a service that could meet the standards of performance and quality expected by New Forest District Council and its customers. Therefore a detailed specification was prepared and formal tenders invited for the provision of the central control service. Tenderers were expected not only to provide a price for the service but also to state in "method statements" how they were to provide the services. These method statements would be used together with other information to assess the quality of the service that each company would provide.
- 3.6 Of the 6 companies invited to tender only 5 actually submitted a tender. The initial results were as follows:-

Company	Price submitted £
A	37,122
B	54,385
C	59,411
D	62,400
E	90,550

- 3.7 As previously mentioned the successful company would need to meet a number of criteria and many of these were used to judge quality. Therefore an assessment matrix was produced where the price, amongst other factors, was given a score. This resulted in a revised list indicating the winning company based upon the price/quality matrix. This gave the following results: -

Company	Total Points scored
Company C	113
Company A	112
Company B	102
Company E	74
Company D	64

- 3.8 As the final part of the process the three companies who were assessed as being most suitable in accordance with the price/quality matrix were invited to give a presentation to the working group and also have a number of formal questions asked in an interview setting.

- 3.9 The presentation and interviews took place on 11 January and each was scored in relation to their presentation and their responses to the set questions. This process led to the final result indicated below and was supported unanimously by the working party.

First	Company C
Second	Company A
Third	Company B

The working party is satisfied that Company C who is Tunstall Response, is best able to provide a quality service to our residents and ensure that the service meets our current and future requirements and at a price which is acceptable. The company were also able to reassure the working party of their commitment to providing a quality service and in working in partnership with New Forest District Council to develop and improve the service wherever possible.

- 3.10 Tunstall Response already provides services to many other local authorities and Registered Social Landlords across the UK and has in excess of 100,000 connections to their call centre which is based in Doncaster. The company are known to the Council and we have worked with them in the past to provide equipment for both our sheltered housing schemes and lifeline users. Although the call centre cannot be said to be local the working group were impressed with the efforts that the company were prepared to make to reassure both the Council and our residents that this was not an issue that would adversely affect the proposed service. They are prepared to meet with our residents to explain the service and to offer reassurance where needed. It is likely that, subject to agreement, we would wish to take this offer up.

4. FINANCIAL IMPLICATIONS

- 4.1 The current cost of providing the central control service "in house" is £290,960 pa (Excluding corporate costs). The externalisation of this service to Tunstall Response would save £94,319 pa. Members will recall that if the Council wish to retain this service "in house" it would require additional investment of over £200,000. Whilst the current service makes a small surplus of just under £11,000 pa this surplus would turn into a loss should the additional investment required be incurred.
- 4.2 As a result of the uncertainty surrounding the future of central control, recent staff appointments have only been made on a temporary basis with a number of staff contracts expiring on 31 March 2007. There are three permanent staff that would be at risk should externalisation of this service take place.
- 4.3 Whilst the Transfer of Undertakings (Protection of Employees) Regulations 1981 (TUPE) could apply in this situation in view of the distance it is considered unreasonable to expect staff to move to the new employer. Therefore it is recommended that the three staff concerned be made redundant, with the costs being met by the Council. Whilst no allowance has currently been made for these costs, sufficient budget does exist to fund any redundancy payments from elsewhere with the HRA.

5. ENVIRONMENTAL IMPLICATIONS

- 5.1 There are no environmental implications as a result of this report.

6. CRIME AND DISORDER IMPLICATIONS

6.1 There are no crime and disorder implications as a result of this report

7. EMPLOYEE SIDE COMMENTS

7.1 Employee Side oppose any outsourcing and would always recommend In-House services. Investing initially would have cost implications but would be a great investment for the Council, employees and residents for the future. Outsourcing of any kind is usually to the detriment of the service in the long term.

7.2 The report does not specify any monitoring of the service of which employee side would recommend with reports to be reviewed by members regularly.

8. REVIEW PANEL COMMENTS

8.1 The Panel discussed the outcome of the tendering process in respect of the outsourcing of the Central Control Service.

Tenants' Representatives pointed out that whilst they were saddened that the Central Control Service had to be outsourced, they were confident that the best solution and company had been found. They had appreciated the assurances made by Tunstall that residents would be given support and help during the transition period, and were sure that many would take up Tunstall's offer of the 1:1 advice sessions.

Tenants' Representatives had no concerns regarding the location of Tunstall's control centre, namely Doncaster, as they felt confident in Tunstall's ability to provide a quality service.

Members and Tenants' Representatives were happy that the decisions made by the working party had been done so responsibly, nonetheless, they considered that regular monitoring of the service was needed in the early stages of operation.

Following detailed discussions members of the Review Panel and the Tenants' Representatives were unanimous in the proposals put forward in Report G to the Review Panel.

The Panel has therefore agreed:-

- (a) That the Cabinet be recommended to appoint Tunstall Response to provide the Councils Central Control Service as from 1 April 2007 at an annual cost of £59,411; and
- (b) That a monitoring report be submitted to the Panel for discussion in three months time.

9. HOUSING PORTFOLIO HOLDER'S COMMENTS

- 9.1 This is a very important decision. I am grateful to all the work undertaken by the working party which represents all the stakeholders involved and has cross party representation. My main concern is that there is no reduction in quality of service, the working party have addressed this as their number one concern. I am happy to support the working parties experience and through examination of the tenders although I was initially concerned by the location of the provider, the closeness on points and the significant difference in tender costs between the top two tenders. Given the working group appear to have addressed and considered my primary concern as to quality of service I am happy that Cabinet now consider the recommended provider for appointment.

10. RECOMMENDATION

- 10.1 That Tunstall Response is appointed to provide the Councils Central Control Service as from 1 April 2007 at an annual cost of £59,411.

For Further information please contact:

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Background Papers:

Report to Housing Health and Social
Inclusion Panel – June 2006
Report to Cabinet – June 2006