

WEALDEN AND EASTBOURNE LIFELINE
ANNUAL REPORT AND FINANCIAL STATEMENTS
2005/06

Company Registration No. 05363226 (England and Wales)

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CHAIRMAN'S REPORT

This time last year we were in the midst of lengthy and detailed discussions between the newly appointed Board of Directors, the legal advisors to Eastbourne Borough Council and Wealden District Council and those appointed to look after the interests of our fledgling Company. We eventually commenced trading on 1st October 2005 and for getting us to our start up date we are indebted to Adam Bradley and Simon Randall of Lawrence Graham solicitors, to the Council representatives who have served on the Board and in particular to Hilary Hughes, Graham Shuttleworth and Mark Stainton, our independent directors.

I must also thank Mark Bannister, our MD who toiled through those early days with fortitude and much good humour. As indicated above the merger between the two Council Lifeline services became a reality on 1st October 2005. 23 Council staff transferred under TUPE regulations and I am pleased to be able to publicly thank the staff for their support and hard work as we move the Company forward.

We are currently located in the Eastbourne office and have been actively searching for new premises with more space. The Board are concerned about the potential impact of poor road communications where we need to provide a rapid response to an emergency and this will be weighed in our final choice of office location.

Having achieved a seamless integration of the excellent lifeline services previously operated by the Councils we are now pressing ahead to develop the business. Already we have succeeded in a rigorous EU tender competition conducted by the NHS Purchasing and Supply Agency and as result are one of only 15 organisations selected for inclusion in the National Framework Agreement for the supply of telecare services and equipment. At present we are working with East Sussex County Council, the South East Coast Ambulance Service and the Eastbourne Downs Primary Care Trust to implement a Community Falls Response Service aimed reducing hospital admissions and ambulance calls whilst also improving the care received by vulnerable people at home immediately following a fall.

Times are exciting. Our aim is to provide an excellent service to all our customers both now and in the future. To achieve this we will need to look critically at all aspects of the business and to expand our range of expertise and services.

Leonard A. Greene (Chairman)

ANNUAL REVIEW

We care for your independence

With 40 years combined experience of providing round the clock reassurance to vulnerable people and the people that care for them, Wealden and Eastbourne Lifeline is a leading provider of telecare based support services.

From our telecare monitoring and response centre we take care of over 12,000 vulnerable people who are linked to the centre through their sheltered housing emergency call systems or individual lifeline telephones which can be installed in any home with a telephone line.

Our principal activities are:

- 24 hour telecare and monitoring and response service co-ordinated through WEL's contact centre, located in Eastbourne.
- Installation and maintenance of community alarms and advanced telecare devices such as smoke detectors, fall detectors, flood detectors and medical alerts.

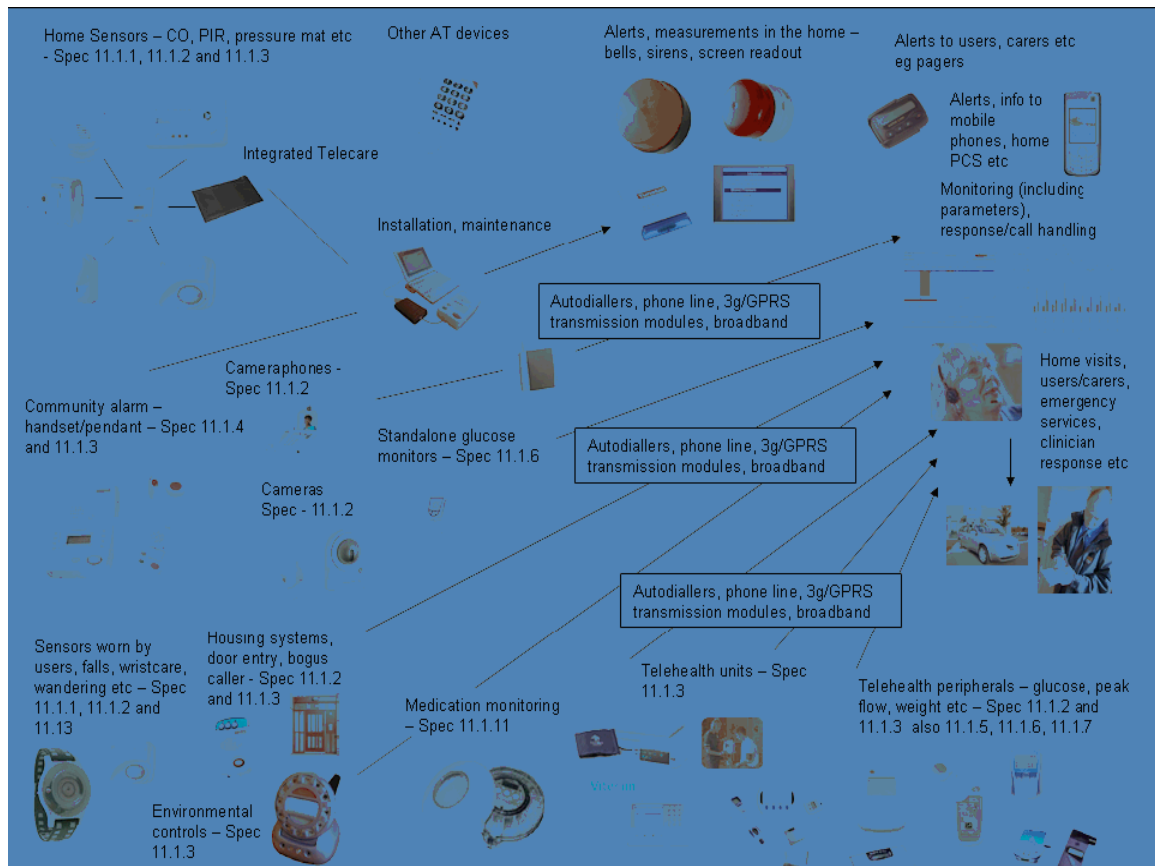
However WEL provides other valued community services including:

- Visiting and check calls for sheltered housing residents
- Outreach and floating support
- Lone worker protection
- Out-of-hours contact centre for housing providers and Local Authorities.
- Telephone answering services

Throughout the evening, weekend, Bank Holidays and during the night, we assist residents of the Wealden, Eastbourne and Rother Districts to resolve a wide range of issues ranging from homelessness to noise nuisance. We also process reports of problems on the highways on behalf of East Sussex County Council Highways Department.

How WEL works

At its simplest the Lifeline system enables you to raise the alarm from anywhere in your home simply by pressing your radio button trigger which you can wear throughout the day. However an increasing number of our customers are benefiting from the additional safety and security provided by our new range of telecare sensors, which can automatically alert our alarm centre if they detect a problem.



When we receive an alarm call a member of our care team is automatically provided with detailed information about your circumstances. We can either talk to you through the powerful microphone and speaker system in your Lifeline system or if there is no response from you ask our emergency response team to attend, or call assistance from one of your nominated responders or the emergency services.

Strength Through Partnership and Understanding (The formation of Wealden and Eastbourne Lifeline)

WEL started trading on 1st October 2005 following the incorporation of the Company seven months earlier on 14th February 2005. This was a moment of great satisfaction for everyone involved with the project to bring Wealden Lifeline and Eastbourne Lifeline together; achieving strength and value through partnership and understanding; laying the foundations for future success.

We record here our thanks to

- The staff teams of Wealden Lifeline and Eastbourne Lifeline
- EBC and WDC Councillors
- The Corporate Management Teams of EBC and WDC
- The WDC and EBC joint venture project team
- The WDC and EBC sheltered housing teams
- Partner agencies who gave their support to the project

- Managers and staff in the human resources, housing, finance and legal departments of the respective Councils
- All the individual Lifeline customers who have continued to support us, voiced their concern that the service should stay local, responded to surveys and attended focus groups
- Key corporate customers, particularly Sussex Housing and Care, Rother Homes and Eastbourne Homes
- WDC and EBC tenants and their representatives for wholeheartedly supporting the project.

Building on a record of achievement

When EBC and WDC embarked on a joint review of their respective Lifeline services five years ago it was recognized that the services under consideration were highly prized and valued with a track record of providing excellent customer service.

Indeed Eastbourne Lifeline had recently been awarded a Chartermark for excellence in public service and Wealden Lifeline had been awarded a very creditable two star promising prospects rating from the Audit Commission Best Value Inspectorate. Not surprisingly when customers and stakeholders were consulted they gave the existing services a huge vote of confidence and made it clear that keeping lifeline local was a key requirement for the future.

The challenge faced by the Councils was how to respond to this mandate. A joint venture combining the Wealden and Eastbourne services was identified as a way forward, offering the following potential:

- Creation of a organisation dedicated to providing a locally based telecare service, retaining the skills and experience of the existing Lifeline teams.
- Reduced overheads and economies of scale leading to improved competitiveness and value to the consumer
- Opportunity to combine public service values with commercial edge and latest technology to create new opportunities and solutions

Looking Ahead

Our focus is on providing affordable, responsive, high quality services which meet the needs of the communities and individuals we serve. Our main aim is to enable people to live independently and enjoy the best quality of life possible by providing them with enhanced safety and security combined with responsive and timely care and support.

In many ways the timing of our emergence could not have been better. The period under review also saw the launch of the Department of Health's Building Telecare initiative and the advent of the Governments White Paper – Our Care Our Say.

The message is clear from our customers and other stakeholders, from “Our Health Our Care Our Say” and from Building telecare:

- Firstly that people want home centered care solutions tailored to their individual requirements, enabling them to remain independent and enjoy the best quality of life possible.
- Secondly that flexible and responsive telecare and telemedicine based support and care solutions have an important part to play in delivering 21st century health and social care.

Understanding and meeting these requirements is central to our business.

Mission Statement

To provide an affordable, responsive, high quality service which meets the needs of the communities and individuals we serve especially elderly and vulnerable people, helping them to live and work in a safe and secure environment

Aims and Values

- Putting customers first
- Promoting choice, independence, dignity and well being
- Protecting and developing a valued local service
- Ensuring that services are operated in the context of a robust risk management and business continuity strategy
- Achieving continuous improvement through listening and learning
- Promoting equality and diversity
- Working in Partnership
- Working to benefit the community and promoting the health and well being of individuals

Key Objectives

The Board of Directors agreed the following key objectives at its first Board meeting:

- 1) To provide high quality, affordable community alarm/telecare services that promote choice and independence and contribute to achieving a healthier and safer community
- 2) To assist partners in the social housing sector to deliver high standards of customer service, care and support to their residents
- 3) To review, evaluate and improve our services in order to ensure that they continue to be competitive and responsive to the changing requirements of our customers, partners and the wider community
- 4) To promote our services and expand our customer base by pursuing an active marketing strategy

- 5) To develop partnerships with the statutory, voluntary and private sectors
- 6) To improve community safety by providing services that aim to reduce crime and fear of crime, reduce accidents in the home and provide support for lone workers
- 7) To support the community by providing an effective and efficient out of hours telephone contact service for local authorities and housing providers
- 8) To provide support to local authorities in co-ordinating the response to major incidents
- 9) To be an employer of choice supporting the personal and professional development of our staff
- 10) To ensure that the company is effectively governed and managed in accordance with the regulatory framework and good practice

Early Progress and Next Steps

Having achieved the seamless integration of the excellent lifeline services previously operated by the Councils we are now pressing ahead to develop the business.

Already we have succeeded in a rigorous OJEU (Official Journal of the European Union) tender competition conducted by the NHS Purchasing and Supply Agency (PASA) to support the Department of Health Building Telecare initiative. As a result WEL is now one of only 15 organisations selected for inclusion in the National Framework Agreement for the supply of telecare services and equipment (England and Wales).

We are working with a wide range of stakeholders to promote and develop a countywide telecare infrastructure, including with East Sussex County Council, the South East Coast Ambulance Service and the Eastbourne Downs Primary Care Trust to implement a Community Falls Response Service aimed at reducing hospital admissions and ambulance calls whilst also improving the care received by vulnerable people at home immediately following a fall.

We continue to enjoy the loyalty of the existing corporate and individual customers who have supported us through the merger process. Furthermore we have welcomed 460 new individual subscribers to our direct telecare service in our first six months of trading.

The market for telecare services will continue to be very competitive with several other strong service providers based in the South East region. However WEL operates the only telecare response centre in East Sussex and backed up by our PASA contract we are well placed to compete for telecare business on a local, regional and national basis.

Building capacity to ensure that we can respond flexibly to new opportunities whilst continuing to improve and develop our existing service levels is one of the key challenges we face. Our aim is to provide an excellent service to all our customers both now and in the future. To achieve this we will need to look critically at all aspects of the business and to expand our range of expertise and services.

Already we have made significant investments to develop and improve services: secure the future of the business:

- New office telephony system with increased incoming lines to improve customer service,
- State of the art web based hosted technology response centre solution in partnership with Tunstall Telecom providing us with maximum flexibility to develop and improve services and provide additional security and resilience for our life critical contact centre operations.
- Upgrade for voice recording system
- Employment of leading telecare industry consultants, HPS, to review our services to and help us to formulate and implement improvement plans for key service areas.
- New corporate image and style emphasising the positive lifestyle benefits of our services

Value for money

An early benefit of the merger for our individual subscribers is that we have not applied any increases to our standard charges for the next financial year 2006/07.

The WEL Team

The Company employs 31 people 30 of who were previously employed by Wealden or Eastbourne Lifeline. We are fortunate to have such an experienced team. They provide customer service of the highest quality and do everything possible to protect the welfare of the people who rely on us for their safety and security.

Our Customers

WEL provides high quality telecare based support to over 12,000 people throughout East Sussex and the wider South East region.

3800 households subscribe directly to our service paying a weekly charge which covers equipment rental, maintenance, monitoring and response. Equipment is installed by our own specialist telecare team.

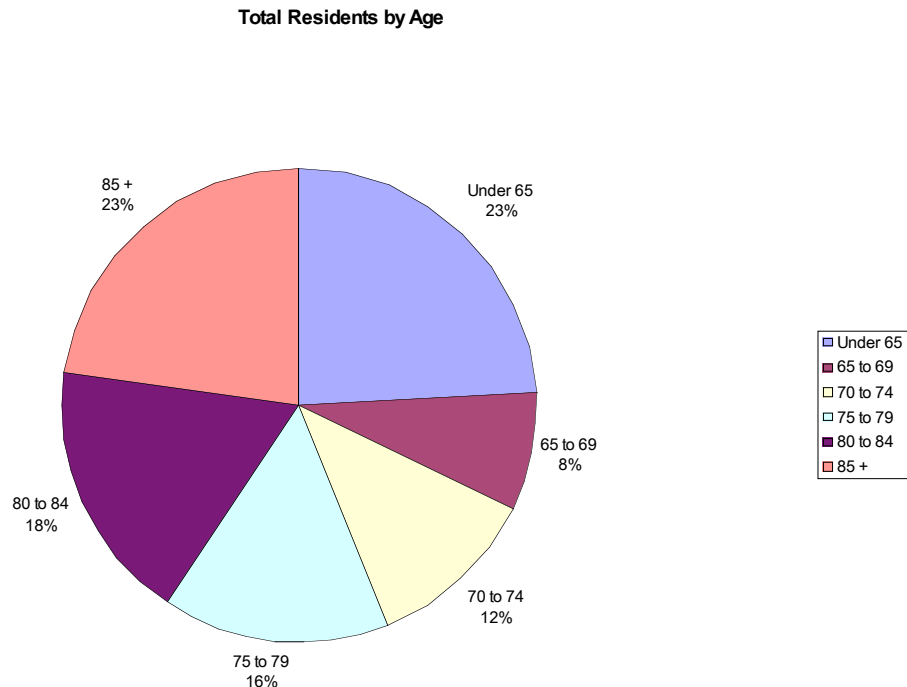
However we also work in close partnership with 37 separate housing organisations to provide their sheltered and supported housing residents and lifeline customers with high quality cost effective monitoring and response services. We place great emphasis on shaping our services to meet the specifications of the different organisations we work with.

The circumstances of the people we serve vary immensely and our aim is to provide solutions that are tailored to individual requirements as they change over time. The increasing range of telecare equipment options is helping us to achieve this aim. For example there are now a number of products designed for people with sensory impairment or physical disability, which we can support with flexible monitoring and response packages.

Although the key statistics below emphasise the vulnerability of our customers, our expanding catalogue of equipment options means that the service now has a broader appeal as a home safety system and we hope a wider range of people will be interested in purchasing packages on this basis.

Key Information About our Customers

- 9100 lone person households
- 8085 people with long term chronic condition
- 4000 people with sensory impairment



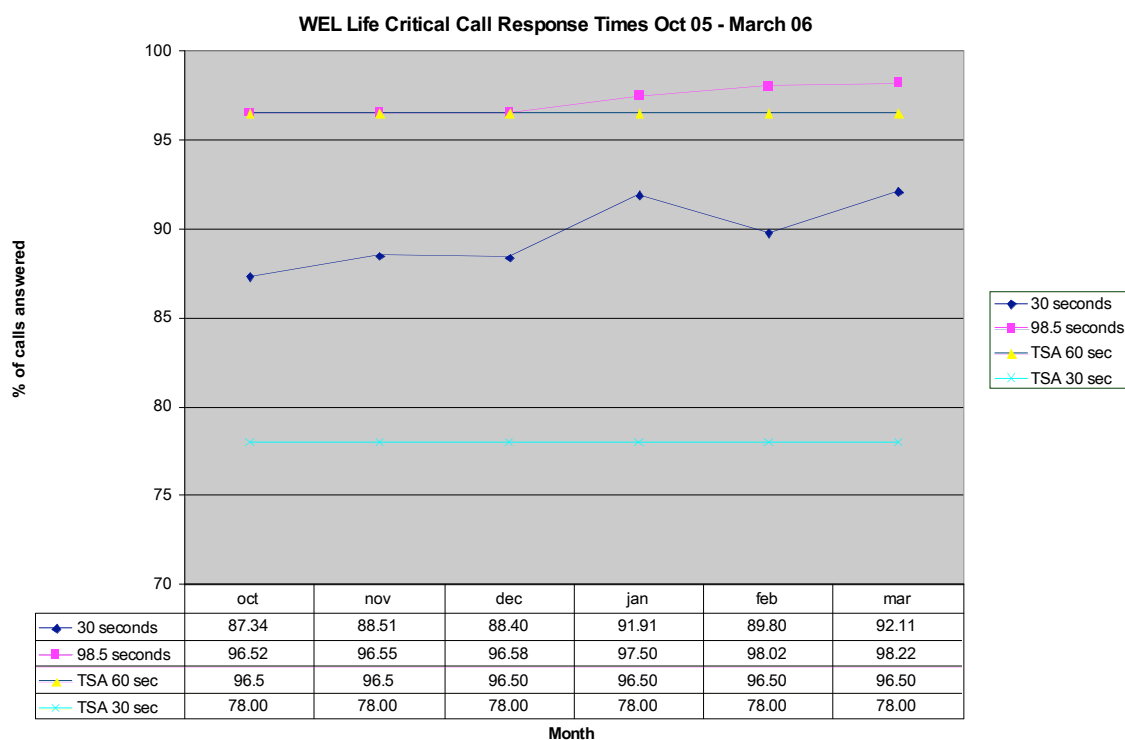
Customer Satisfaction

We carried out a survey of all our customers in December 2005 to check for any issues as a result of the merger process. We had an excellent response to the survey with 98.5% of respondents reporting that they continued to be satisfied or very satisfied with our service.

Accreditation

In February 2006 we achieved audited compliance with the Telecare Services Association Code of Practice for our contact centre operations

Key Activity and Performance Data



WEL Lifeline Incoming Alerts Oct 05 to Jan 06

