

**REPORT TO:** SCRUTINY COMMITTEE

**DATE:** 8 DECEMBER 2015

**TITLE:** REVIEW OF SHELTERED HOUSING (Phase 1)

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**RECOMMENDED that**

The Scrutiny Committee considers the report and the policy considerations, and makes recommendations to Cabinet for approval.

**SUMMARY**

1. The Terms of Reference for this review (copy of the scoping report attached at Appendix 1) was to consider and make recommendations on how the Council's objectives for sheltered housing should be pursued within the reducing resources available to the Council.
2. This report identifies the immediate budget and service issues needing to be addressed, and makes recommendations on the proposed changes to service charging and delivery.

**BACKGROUND**

3. The Council's Supported Housing Service consists of 16 sheltered housing schemes, 1 extra care scheme for the frail elderly, and a community support function for 1,200 private clients living across the town.
4. Essex County Council (ECC) formally act as the responsible organisation, and commissions Housing Related Support (HRS) services from the Council on a contractual basis. HRS commissioning services funded by ECC form part of the Government's Health and Social Care agenda that promotes older persons wellbeing and independence. Legislation does not stipulate specific services to fulfil this requirement. The Council's role, as a landlord, is to maintain the fabric of the building, deliver the contractual HRS services and manage its tenancies.
5. The availability of future funding for the services currently commissioned by ECC has been under review, and it is anticipated that there will be a reduction of income to the Council of £188,268 per annum from 2016/17. This reduction in funding is in addition to the summer budget announcements made by the Government on 8 July 2015 which introduced a number of new housing policy changes which the Council

anticipates will have both short and long term negative impacts on its Housing Revenue Account (HRA) Business Plan. Efficiencies of at least £5.1m are required by 31 March 2020 and the proposed legislation to lower rents will result in a forecast loss of income to the Council of £12.8m by 31 March 2020. The loss of income will mean that the HRA would be overdrawn (with an illegal deficit) by £2.2m. Longer term there will be a shortfall of at least £284m by 31 March 2045.

6. There is a need, therefore, to review the affordability of future HRS services and its funding.

## WHAT ARE THE ISSUES?

7. ECC has given notice that they intend to extend the contracts for the delivery of HRS to older people's services for a year from April 2016 with a reduced financial contribution to providers, based on the following terms:

1)	Reduce the payments to sheltered housing services by £2 per person per week.
2)	Cap the payment to community alarms in sheltered housing at £2 per unit per week (or less if sub-contracted at a lower rate).
3)	Not to extend any contract for the provision of funding for "dispersed" community alarms.

Table A (below) details the expected new contract values:

**TABLE A. Proposed Funding Reductions:**

Service	Existing Annual Contract Value £	Potential Reduction in Contract Value £	New Approximate Contract Value £
Sheltered Housing Support	189,284	37,232	152,052
Alarm System in Sheltered Housing	31,647	24,014.44	7,632.56
Dispersed Community Alarms	102,911	102,911	-
Harlow Community Support Service	21,733	21,733	-
Extra Frail Support	3,124	2,377.80	746.20
<b>Total</b>	<b>348,699</b>	<b>188,268.24</b>	<b>160,430.76</b>

8. Sheltered housing support services include daily wellbeing visits, installation of telecare alarm equipment and a 24 hour 365 day response service. The 1,200 dispersed community alarms installed in the local community provide service users with 24 hour 365 day support at the push of a button, giving peace of mind and promoting independence. Community Support provides an alarm monitoring service as well as weekly wellbeing visits for service users living independently in the local community. Sumners Farm Close provides additional support for frail elderly tenants

through joint working with ECC where Harlow Council provides the housing management and ECC provide the 24 hour care required.

9. The current charge for a hardwired alarm system installed in sheltered housing schemes is £1.70 per unit per week, which is under the HRS proposed cap. The call monitoring service is currently out-sourced at cost of £0.41p per unit. Under the new capping proposals for outsourced arrangements, there will be a reduction of income of £24,014 per annum. These proposals will affect tenants living in sheltered housing schemes and those at Sumners Farm Close. The current weekly charges for individual service users are outlined in Table B below:

**TABLE B: Current Weekly Charges**

Service	Weekly Charge
Sheltered Housing Support	10.14
Alarm system in sheltered Housing	1.70
Dispersed Community Alarms	3.89
Community Support	7.12
Extra Frail Support	1.70

## WHAT ARE THE OPTIONS?

10. There is a need to identify which services are affordable and that meet the needs of existing and future service users. Listed below are the options considered:-
- Pass on HRS support charges (i.e. increase service charging).
  - Subsidise from Council budgets.

### *Service Charging*

11. Current service delivery is on a wants led basis, with clients opting for the service they choose, rather than the service that can be evidenced to meet their support needs through risk assessments. Other HRS service providers are migrating towards a needs led service, delivering housing related support based on the individual tenants risk and associated support plan.
12. The current weekly charge for Sheltered Housing Support does not attract housing benefit. Housing benefit regulations stipulate that service charges for tenants living in sheltered housing schemes could be eligible for housing benefits providing tenants are paying for them:-
- As a condition of occupying the property.
  - Are not listed in the regulations as ineligible.
  - Are not excessive.
  - Must be in regards to the provision of adequate accommodation.
13. It is expected that some of the existing weekly HRS charges associated with maintaining the fabric of the building and statutory testing would be classified as

intensive housing management and will be eligible for housing benefit. The eligible amounts will need to be extracted from the existing weekly charge and processed for housing benefit separately.

The proposed new HRS service charges are outlined in Table C:

**TABLE C: Proposed New Service Charges**

Service	Charge £	Continued ECC Funding £	Charge HB £	Proposed New Charge to Service User £
Sheltered Housing	10.14	8.14	1.16	0.84
Dispersed Community Alarms	3.89	None	Not eligible	3.89
Harlow Community Support	7.12	None	Not eligible	7.12
Extra Frail Support	1.70	0.41	Not eligible	1.29

14. Supported housing officers will work with all service users and their families to explore alternative funding avenues for those most vulnerable which include other allowances and benefits.

*Further Subsidies from Council Budgets*

15. Council's budgets continue to reduce following the summer Budget announcements made on 8 July 2015, by the Chancellor of the Exchequer. The additional pressure on Council budgets has impacted on the availability of funding to support HRS services through the HRA. There is little scope for future subsidy and it is expected further efficiency savings will have to be made going forward as Council budgets continue to reduce.

16. It is recommended that service users are re-charged the reduction values in ECC funding for the HRS services they receive, phased over a two year period commencing April 2016/17.

**OUT OF HOURS EMERGENCY RESPONSE**

17. The out of hour's monitoring service is delivered by Tunstall Response Ltd and funded through the ECC HRS budget, with the response service provided in-house by supported housing officers, funded separately from the HRA outside of the income received from ECC.

18. The response service is outside of normal working hours, including weekends and bank holidays, and assists service users to remain and live independently in their own homes. It is delivered at the sole discretion of the Council not being a statutory service. It is not provided by all councils and neighboring councils such as Epping and Uttlesford have opted not deliver this service. The number of call outs is relatively infrequent, and the calls received reduce substantially after midnight.

averaging three calls per month compared to 14 calls per month between the hours of 5pm and 12 midnight.

19. There are many difficulties around service delivery and health and safety issues regarding lone working, especially during anti-social hours. Officers feel very isolated, fearful of their safety and vulnerable having to go out alone at night, even though the Council provides appropriate Personal Protective Equipment (PPE) and lone worker monitoring systems. They find this element of their role stressful and challenging, leading to an increase in work-related stress and increased absenteeism. There are an increasing number of nights each month when there is no capacity to deliver the service through sickness or annual leave as other members of staff are unwilling or unable to provide cover and carry out additional work.
20. It is proposed to outsource the emergency response service to a specialist provider with a fixed contract value and specification. This approach will provide consistency, and certainty of service provision, as well as realising ongoing efficiencies to assist with addressing the current budget pressures. The approach will ensure sustainability of the activity as well as providing greater stability when delivering the daytime services. It will remove the uncertainty around whether a member of staff will be in work the morning following an overnight standby shift, relieving the burden of their colleagues who have to carry out their role whilst they are not at work.
21. Officers recommend that Option 2 be adopted as the tenderer can provide the same standard of HRS that is currently being delivered by Council Officers, with a reduction in hours due to the low call volumes and to provide efficiency saving. Contractor A has demonstrated the capability of delivering services to the standard required by the Council. Next of kin will be required to attend any emergency call-outs between midnight and 8.30 am, with the emergency services being called out, where appropriate. Where there are no next of kin to respond to a service user emergency, the emergency services would be asked to carry out a welfare check, with the out of hours emergency social work team being involved where needed.

## **CONSULTATION**

22. Extensive engagement has been held with service users to identify the impact of the budget reductions and the funding options being considered. Consultation on the proposed changes ran from 24 September to 13 November 2015, and included staff. Overall, 85% of staff and 58% of tenants accepted the need to re-charge the cost to the service user. A copy of the consultation findings is outlined in (Appendix 2).

## **NEXT STEPS**

23. ECC have confirmed the proposed funding reductions, which have been approved by their governance arrangements and Cabinet. Further engagement with sheltered housing tenants and service users will be ongoing to manage the implementation of the proposed changes, and the choices available to them.
24. Recommended fees and charges (e.g. service charging) will form part of the Cabinet's budget approval process and it is expected that revised revenue approvals

will be presented in January 2016, together with a request for a formal contract award for the emergency out of hours response service.

25. A report on the Phase 2 review of sheltered housing services will be presented to Scrutiny Committee in October 2016.

## **IMPLICATIONS**

### **Place (includes Sustainability)**

None specific beyond those contained in the report.

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### **Finance (includes ICT)**

Contained within the report.

Author: **Simon Freeman, Head of Finance**

### **Housing**

Contained within the report.

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### **Community Wellbeing (includes Equalities and Social Inclusion)**

Contained within the report.

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### **Governance (includes HR)**

Contained within the report.

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### **Background Papers**

None.

### **Glossary of terms/abbreviations used**