

**FUTURE DELIVERY OF HOUSING RELATED SUPPORT /
SHELTERED HOUSING AND CONTROL CENTRE SERVICES
REPORT OF THE DEPUTY CHIEF EXECUTIVE (COMMUNITY
DIRECTION)**



WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

- 1.1 To advise the Executive of the outcome of consultation with tenants and officers on the proposed service model for delivery of sheltered and control centre services and to seek approval for the implementation of the service model. To outline the proposed timetable for implementation of the service model.

2. RECOMMENDATION

The Executive:

- 2.1 Approves the implementation of the proposed service model and introduction of service charges from 1st April 2015 to enable the continued delivery of Sheltered Housing and Control Centre services as detailed in appendix 2.
- 2.2 Approves the early termination of the existing funding and contract arrangements with Leicestershire County Council (LCC) from the 31st March 2015, subject to the service charges going live on the 1st April 2015.
- 2.3 Notes the positive and supportive comments expressed by staff and tenants during the recent consultation on the proposed service model and introduction of service.

3. BACKGROUND TO THE REPORT

- 3.1 A report was considered by the Executive on 16th October 2014 which outlined the current funding and contract arrangements between HBBC and LCC and the impact on current services when the proposed reductions in funding from LCC to provide Housing Related Support services (HRS) come into effect at the end of our contract in September 2015.
- 3.2 To mitigate the impact of the loss of this funding and to protect the future delivery of HRS services the Executive was asked to consider proposals to introduce a new service model, detailed in appendix 2, and the introduction of service charges.
- 3.3 The Executive approved the proposed service model in principle and agreed to officers carrying out consultation with service users and staff.

4. SUMMARY OF TENANT & STAFF CONSULTATION

- 4.1 During November and December the Older Persons Services Manager, accompanied by the Portfolio Holder for Housing, Councillor Mullaney, visited sheltered housing schemes to set out the issues the council faced with the loss of grant funding and the proposals that had been developed to support the continued delivery of these services.
- 4.2 Informal meetings with staff and Unison were also held to ensure that they fully understood the proposals and that their comments and suggestions could also be considered during the consultation period. Initial meetings have been positive, with

staff and Unison welcoming the opportunity to comment on the proposals at this early stage. Formal staff consultation will follow the approval of the recommendations contained within this report.

- 4.3 Attendance at tenants meetings has been high, with over 70% of tenants living in sheltered housing and receiving services participating in the consultation. As well as meetings, handouts were also provided detailing the proposals and staff were available to support those who needed further clarification or for those tenants, families and carers, who were unable to attend the meetings.
- 4.4 It was clear from the meetings that tenants were frustrated and often confused by the relationship between HBBC and LCC, in particular the charging arrangements. This has become more apparent during the recent changes introduced by LCC resulting in most tenants now having to pay for services that were previously eligible for Housing Benefit, causing in many cases financial hardship. Dealing with one organisation for service and billing enquires was seen as a huge benefit and very much supported by tenants.
- 4.5 During the discussions, tenants clearly understood the funding issues and overwhelmingly welcomed the proposal to opt out of the current contract and funding arrangements and introduce service charges. Time was spent on each scheme explaining the service charges, how the charges had been set and what that meant for tenants on each scheme. The application of a £15.00 cap was also explained and views were sought on the level of cap. Tenants again were in agreement with the service charges and the suggested cap. Some tenants at two schemes, Royal Court and Barlestone, whose charges would be below the £15.00 cap suggested increasing their charge to meet the cap to provide additional income. However, whilst this would provide additional income, it would not reflect the cost of providing the services and would be difficult to justify for audit purposes.
- 4.6 As outlined in the previous report and in 4.4, since the changes to the charging assessment by LCC, some tenants have found it difficult to pay the HRS charges. The work to ensure that service charges introduced by HBBC are eligible for Housing Benefit protects the most vulnerable on low incomes and was supported by tenants.
- 4.7 In addition to the feedback on the proposals, tenants were extremely positive and full of praise for the services they receive from their onsite staff and Control Centre. It was evident from the feedback that they valued local services provided by the council, available 24 hours a day, 365 days a year, and welcomed the prospect of these services continuing into the future.

5. **PROPOSED MODEL**

- 5.1 Following the consultation and positive feedback there are no proposed changes to the model outlined in the previous report and detailed in appendix 2. In summary the revised model will be more flexible and reflect the two different types of sheltered housing: that of sheltered scheme buildings and scheme groups consisting of bungalows. The service will be funded through service charging for eligible services.
- 5.2 Service charges will be applied based on the services tenants receive, ensuring that charges will be more transparent and more fair.
- 5.3 The model includes the proposal to create a new post of Assistive Technology Officer, to ensure that we are protecting our existing private lifeline income and promoting the service as widely as possible, offering a wide range of products such as, lifelines, flood detectors, door sensors, bogus caller alarms etc. This service helps more people remain safe and independent in their own homes, promoting

independence, reducing hospital admissions and supporting early intervention initiatives.

- 5.4 The current sharing of OPS Manager and the Sheltered Housing Supervisor with North West Leicestershire will be terminated when the new service model, if approved, is implemented.
- 5.5 To reflect the changing role of the warden and to bring it up to date with other modern services we will propose that the title warden is replaced with 'Scheme Manager'.

6 **NEXT STEPS**

- 6.1 The table outlines the next steps, subject to the recommendations being approved by the Executive on 28th January 2015

Action	Date
Letters to affected tenants giving 4 weeks formal notice re: introduction of service charges	Beginning March 2015
Formal staff consultation	w/c 2 nd Feb 2015
Recruitment process of vacant posts	w/c 2 nd Feb 2015
Formal notice to terminate LCC contract	2 Mar 2015
New model and service charges implemented	1 Apr 2015

7. **FINANCIAL IMPLICATIONS (SJE)**

Budget Setting Scenarios

- 7.1 At the time of writing this report, the budget position for Sheltered Housing and Control Centre services for 2015/16 have been produced on a rolled forward basis from 2014/15 budgets, ie with no significant changes. The reason for this approach was to establish an unchanged starting point ahead of a decision being made concerning charging.
- 7.2 However, external Supporting People grant funding for 2015/16 will not be received as in previous years and, therefore, the budgets will need to be updated once a decision has been made regarding charging. Appendix 3, demonstrates the financial impact of the 3 scenarios available going forward. This detail has been included to demonstrate the net impact on HRA budgets to provide assurance that net impact of the Executive decision on charging will be negligible.
- Scenario 1 – Do nothing. Expenditure would be incurred without subsidisation from grant funding. This would generate an increased pressure on the HRA budget of £397,503 which is clearly not feasible.

Scenario 2 – Cease providing the service completely. On this basis no budgets would be required and the Council would effectively make a £589,270 saving (original budget) / £641,480 saving (latest budget) compared to 2014-2015.

Scenario 3 - Implement a charging mechanism. The financial implications of this approach are detailed in the remaining part of this section.

- 7.3 Once a decision is made, next year's budgets will be updated and approved as part of the budget setting process for 2015/16.

Financial Implications of charging

- 7.4 The financial implications for the proposed method of charging are detailed in Appendix 3. For the purposes of this report, it is assumed that the charging method would be implemented from April 2015. This enables comparisons to be made on a year-year basis. However, in reality, implementation may take slightly longer. An option to take grant funding for a final 6 months up to September 2015 would help cushion implementation delays. Appendix 3 also shows the actual costs for 2013-14 and the budget positions (approved & latest) for 2014-15, all three operating using Supporting People Grant funding.

- 7.5 The estimated position for 2015-16 under a charging regime is shown in Scenario 3. These budgets have been based using the principles outlined in the 2015-2016 Budget Strategy and the agreed NJC pay increase. On this basis the net cost (total expenditure less non-grant based income) to the Housing Revenue Account (HRA) is £953,238. For demonstration purposes, the difference between the net cost of £953,238 and the 2014-15 budget of £589,270 is £363,968 shortfall (basically the Supporting People grant funding loss).

- 7.6 The current service provision has been costed by scheme to identify what method of charging will be required to achieve full cost absorption for each unit. In this approach, costs included are lift & fire alarm maintenance, cleaning costs, grounds maintenance, and staff safety & security time. What is evident from this work is the varying cost of providing current services to individual units across the scheme (The cost varied from £36.20 to £7.50 per unit, see table in section 7.9).

- 7.7 Taking into account this disparity and the need to generate income, three methods of costing were considered:

- 1) To charge based on the total average cost of providing the service
- 2) To charge based on the average cost of flat and bungalow categories
- 3) To introduce a 'capped' charge (charge cannot exceed a certain value).

After discussions with the Housing Benefits team to understand the implications of these proposals, options 1) and 2) were rejected. This is because any amount recovered must be clearly auditable and reflective of charges for a particular unit in order to reclaim housing benefit. Hence, option 3, the capped charge, is recommended for approval.

- 7.8 The implications of a capped charge of £15 for tenants can be demonstrated in the following example:

- The cost of providing the service to units in Sheltered scheme A is £14.50 per unit per week. All units will be charged £14.50 under the proposed charging regime.
- The cost of providing the service to units in Sheltered scheme B is £20.00 per unit per week. All units will be charged £15.00 (i.e. the capped amount) under the proposed charging regime.

- 7.9 The implications of a capped charge mean that, where the unit cost of providing the service in a scheme is less than £15, the unit cost will be charged as indicated in section 7.8. Where the unit cost of providing the service is over £15, the charge will

be capped at £15. Using these principles an indicative list of charges by scheme is provided below:

Scheme	Cost without cap (£)	Indicative Charge (£)
Ambion Court	19.52	15.00
Herford Way	9.50	9.50
Clarendon House	36.20	15.00
Queensway	10.34	10.34
Castle Court	19.17	15.00
Mayflower Court	18.01	15.00
Royal Court	8.23	8.23
Centurion Court	22.54	15.00
St Giles Close	7.50	7.50
Armada Court	10.23	10.23
Tom Eatough Court	22.41	15.00

- 7.10 The charges in the table above are based on 2014/15 costs. 2015/16 costs are likely to have inflationary related increases that need to be included in the budget setting process. Therefore, the amounts quoted above that are less than £15 may change. Going forward, any charge less than £15 will need to be adjusted for in line with RPI.
- 7.11 The introduction of this charging mechanism is expected to generate gross income of £227,949 in 2015/16 based on 360 units. After taking into account a prudent provision for voids and non payment of 7.5% (i.e. for those tenants not in receipt of housing benefit), the charge will generate net receipts of £204,527
- 7.12 The implications of this method means that different charges will be made on different schemes within the Borough. This may appear inequitable to tenants and will create additional administration burden. That said, the majority of tenants impacted are in receipt of Housing Benefit and it is expected, therefore, that the reputational impact created by those noticing the differences will be marginal.
- 7.13 It should be noted, however, that there may be an additional cost of administrating the charge that would need to be met through recharges. Also, if the charging scheme is not agreed, certain central recharges would need to be allocated to other services areas, which would generate pressures in other Council services.
- 7.14 In addition to the charge for the “core” elements of the service, it is proposed that an amount of £3.50 per week will be charged to those units (847 in total) utilising Community Alarms. This is less then the current charge of £3.86 administered by the County Council. After allowing for voids and non payment at 2%, this charge will generate net income of £150,840 in 2015/16. This will need to be adjusted for inflation in future years, in line with RPI.
- 7.15 Using the model of a capped charge of £15 per week for service charges and community alarm income at £3.50 per week, it is expected that the Housing Related Support services would be operating close to a break-even position in 2015-16, if existing 2014-15 budgets were carried forward.
- 7.16 If approved by Executive, the agreed charges would require publication in the Council’s fees and charges book.

8 LEGAL IMPLICATIONS (EH)

- 8.1 In order to make a service charge it must be allowed within the terms of the tenancy agreement. The current conditions of tenancy allow for a service charge to be made and S102(1)(b) of the Housing Act 1985 allows the level of Service Charge to be varied by the Council.

- 8.2 Under our conditions of tenancy the Council is obliged to consult tenants before making any changes in the conditions of tenancy, either by writing to all tenants or those affected. The proposed consultation will commence this process and ensure the council is complying with its obligations.
- 8.3 The Council must fully consider any comments received through the consultation and then, following any decision to implement changes, give at least four weeks notice of any changes before bringing them into effect. This is reinforced by a specific reference to increasing rent or rental charges for services provided.
- 8.4 It should be noted that though the current agreement has been extended with LCC until 30 September 2015, it is understood that there are provisions within the agreement which allow for early termination. Termination should be done in accordance with the terms of the agreement in order that it is effective.
- 8.5 There are other implications which arise from the content of the report but do not relate directly to the recommendations, such as the proposed Assistive Technology Officer Post. These will need to be considered fully as the project progresses and individual decisions are taken.

9. **CORPORATE PLAN IMPLICATIONS**

- 9.1 The proposal aims to protect sheltered housing and Control Centre services which support older and vulnerable people living in their own homes this supports the following corporate aims:

Aim 3 - Supporting individuals

- Identify and support the most vulnerable people
- Identify and plan to meet the needs of the aging population

Aim 4 - Providing value for money and pro-active services

- Efficient, effective and pro-active services
- Move towards early intervention and prevention

10. **CONSULTATION**

- 10.1. Discussions have been ongoing with LCC colleagues, who have been kept up to date with the work we have undertaken to review services and identify ways of protecting services. These discussions have included the option to terminate the contract before the end date in September 2015. LCC are aware of the proposed implementation date of the 1 April 2015 and have confirmed that they are happy to proceed on this basis.
- 10.2 As highlighted in 4.2 formal consultation with staff will commence once formal approval is given to the recommendations, this consultation will involve Human Resources and unions.
- 10..3 Letters advising tenants affected by the implementation of service charges will be notified formal by letter allowing 4 weeks notice before the charges are introduced.

11. **RISK IMPLICATIONS**

Management of Significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Loss of Leicestershire County Council grant funding to support Housing Related Support Services, loss of service to older and vulnerable tenants and residents.	Re-modelling of the current services to identify savings and introduction of service charges to tenants to recover the loss of grant funding, details of which are contained within this report..	<i>Clive Taylor</i>

12. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

12.1 Sheltered housing schemes are located across the borough including rural parishes such as Ratby, Markfield, Barlestone and Market Bosworth, Control Centre and community alarms are also available in rural areas. This report aims to protect and enhance these services, ensuring that older and vulnerable people have access to services 24 hours a day 365 days a year.

13. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety Implications
- Environmental Implications
- ICT Implications
- Asset Management Implications
- Human Resources Implications
- Planning Implications
- Voluntary Sector

Background Papers: Appendix 1
Appendix 2

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