

Report to the Cabinet Member for Adult and Community Services
Report submitted by: Executive Director of Adult Services, Health and Wellbeing
Date: 9 December 2014

Part I

Electoral Divisions affected:
All

Reconfiguration of Sheltered Housing Services
(Appendix 'A' refers)

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Executive Summary

A reduction of £4 million to the Supporting People Budget was agreed by Full Council, as part of the County Council's Budget, in February 2014. However, it was clearly identified in the Equality Analysis submitted as part of those proposals that consultation would be undertaken prior to decisions being made regarding savings to individual services. This report seeks approval to reduce funding for sheltered housing and community alarms by £2 million from April 2015.

This is deemed to be a Key Decision and the provisions of Standing Order No 25 have been complied with.

Recommendation

The Cabinet Member for Adult and Community Services is recommended to approve the reduction of funding to sheltered housing and community alarm services by £2 million as set out in the report.

1.0 Background and Advice

As part of the County Council's Revenue Budget 2014/15, Full Council approved in February 2014 budget savings of £4m relating to Supporting People, phased £1m in 2014/15 and £3m in 2015/16. However, it was clearly identified in the Equality Analysis submitted as part of those proposals that consultation would be undertaken around specific proposals. Consequently, approval was obtained in July 2014 to consult on proposals in relation to a range of services funded from the Supporting People budget.

This report outlines the feedback to the consultation and resulting recommendation in relation to sheltered housing.

2.0 Description of Sheltered housing

Sheltered housing schemes offer housing with support: a 24 hour alarm service and a scheme manager/support worker who will visit the scheme to make contact with individuals, to provide support or to arrange communal activities. 12,000 older people currently receive financial assistance and there are around 17,000 units of sheltered accommodation.

3.0 Original Proposals

- Reduction of funding from £4.5million to £2.5 million.
- Directly award contracts from the Supporting People Framework as staff provide an integrated housing management and support service so a mini competition would not be appropriate.
- Contract values to be calculated by dividing the total amount of funding available in Lancashire by the total number of people who are eligible for financial assistance in Lancashire. This formula generates an annual figure of £253.27 amount per sheltered housing tenant and £78.21 amount per recipient of a community alarm service with no planned support. Contract values for individual providers will be calculated by multiplying the number of their tenants receiving financial assistance by the figures identified.
- Whilst it is proposed that the level of funding allocated to providers will in the future be based on a transparent formula, this has not been the case historically. Therefore the impact of the savings on providers will vary. The average reduction (median) is 44.98% and the changes to contract value range from an increase in funding of 50.87% (although this represents less than £5,000 as the original contract was small) to a 64.38% reduction (£235,192). The highest reduction would be £309,279 which is a 55.42% reduction.
- Given the significant reduction in funding, it is proposed that landlords/support providers are given as much flexibility as possible to respond to the savings requirement and that specifications become outcome focussed:
 - Landlords/support providers, following consultation with their tenants, will be able to decide if they wish to utilise the funding on community alarms or support or both.
 - It will be impractical to continue with a common charging policy, so providers, in consultation with their tenants, will be able to decide how to allocate funding and to determine their own charging arrangements. As this could lead to different approaches being adopted by landlords in the same geographical area, it will be crucial that landlords/providers undertake a robust consultation process prior to deciding their approach to charging.
- We will seek to mitigate some of the impact of the reductions by considering how asset based approaches to working with communities, being promoted by the County Council, could support people living in sheltered accommodation.

4.0 Consultation Process

Given the number of organisations and range of business models that service providers will be implementing, it was agreed that providers would consult directly with tenants regarding the proposed changes and feedback the responses to the Supporting People Team.

4.1 Consultation undertaken directly by Lancashire County Council

- 516 people were sent the link to the consultation proposals and questionnaire, including all providers on the framework agreement, district councils and a range of other organisations.
- A total of 24 people attended the stakeholder consultation event. Those in attendance included representatives from existing sheltered housing provider organisations, district councils and a representative from a hearing loss organisation.
- A standard statement was sent to sheltered housing providers which they were asked to share with their service users.
- A report detailing the full consultation process and feedback is included within the Equality Analysis set out at Appendix 'A'.

4.2 Consultation undertaken by Providers

- The majority of providers contacted tenants by letter. Some providers also met with tenants.
- A few providers who only have one scheme in Lancashire met with tenants instead of sending letters.
- A few providers who have received a marginal increase have not consulted with tenants.
- The full details have been included within the Equality Analysis set out at Appendix 'A'.

5.0 Consultation Feedback – Responses to Electronic Questionnaire

The response to proposals is outlined below:

- Provider and tenants can decide to fund the cost of community alarms or support or both - 88% tend to agree or strongly agree, 8% tend to disagree or strongly disagree, 4% don't know.
- Funding proposal outlined above – 84% tend to agree or strongly agree, 16% tend to disagree.
- Providers and tenants will be able to determine their own approach to allocating funding and charging – 92% tend to agree or strongly agree, 16% tend to disagree and 4% don't know.
- Providers and tenants will be able to determine if they wish to use part of their funding on an out of hours service - 92% tend to agree or strongly agree, 4% strongly disagree and 4% don't know.

6.0 Stakeholder Event – Consultation Responses and Recommendations

Full details of the consultation event are contained within the Equality Analysis set out at Appendix 'A'. The following recommendations have emanated from the events and are supported by the responses to the electronic questionnaire.

6.1 Outcomes

The key outcomes that customers in sheltered housing will be expected to experience will be:

- Keeping in touch
- Staying as well as you can
- Feeling safe

6.2 Assessments

There will be no special requirements in relation to assessments. However, it was agreed that the service should be targeted at those people who have the greatest need for support.

6.3 Out of Hours

Service providers will be asked to provide a summary of out of hours activity over the last 12 months to share with health and social care commissioners in order to inform future service planning with a view to determining if there could be any support available as part of wider developments in relation to social care.

6.4 Monitoring

All providers will be required to complete and submit a Service Proposal Statement. The information in the statement will outline the nature of service and level of activity to be provided under the contract. The information required will include:

- The outcomes
- The details of the charging policy
- The number of people being supported (This will vary depending on approach to charging. If funding is to be distributed across the board then the numbers will include both people receiving financial assistance and self-funders)

The Service Proposal Statement will form the specification to the contract and will need to be agreed by Lancashire County Council before the start of the contract. Monitoring will take place against the performance levels identified within the Service Proposal Statement.

6.5 Use of Communal Facilities

It is hoped that, as already happens in many schemes, service providers can promote use of their communal resources to individuals from the neighbouring area. However, this will be at the discretion of the providers.

6.6 Hub and Spoke Model

Providers can, if they wish, offer a service to people not living in the service who would benefit from support. However, it is recognised that given the reduction in funding that the ability to do so will be limited.

6.7 Charging

Following consultation with their tenants, support providers and tenants will determine how to allocate funding and what charging arrangements will be in place.

7.0 Impact on Service Users - Feedback from Providers

Almost all providers have already reconfigured, or are in the process of reconfiguring, services with a greater focus on housing management and less focus on support.

- Five providers have already reconfigured their services and are intending to deal with the outstanding shortfall in funding in the following ways:
 - subsidising the costs;
 - reduced the number of staff so a more targeted service will be delivered;
 - charging for out of hours service/consulting on charging for out of hours response;
 - introduction of charges and changes to the way the service is being delivered;
 - introduction of charges.
- Ten providers are still awaiting decisions from housing benefits. Most providers have identified contingency arrangements which they would put in place in the event that Housing Benefits refuse their claims. These include introducing charging and reducing the level of support available or a combination of both.
- Two providers have not developed firm proposals. One is an organisation which operates across a number of local authorities so intends to subsidise services, whilst they develop an organisational response which can be implemented across all local authorities. The second organisation is a local authority which operates under different housing benefit legislation, which impacts on their ability to reconfigure with a greater focus on a housing management service.
- One provider although receiving additional funding is now charging as previously the contract wouldn't allow.
- Two providers with small increases in funding have not undertaken consultation as there will be no negative impact.

8.0 Recommendation

- Reduction of funding from £4.5million to £2.5 million.
- Contract values to be calculated based on a standard amount for sheltered housing and a standard amount for community alarm services with no planned support. These figures will then be multiplied by number of service users (see 3.0 above for details).

- Directly award contracts from the Supporting People Framework as staff provide an integrated housing management and support service so a mini competition would not be appropriate.
- Service specifications and monitoring to be undertaken as outlined in section 6 above.

Implications:

This item has the following implications, as indicated:

Legal

Ordinarily any agreement with the level of spend anticipated with the individual landlords would require that the contracts be let following a tender exercise. However, the model proposed by the County Council requires the services in question to be delivered by a specific group of organisations [or in some cases, individuals] identified by reference to their position as landlord of the service user[s]. As service users have only one landlord it would be illogical to submit the service to this type of commercial competition.

Such a situation falls within the exemption set out in paragraph 14 (1) (iii) of the Public Contracts Regulations 2006 (the "Regulations") which allows the appointment of a contractor without competition where effectively only one organisation can supply the service in question.

Approval to waive the authority's standing orders as set out in the Procurement Rules is still required.

Should the authority decide that this model will not operate in any establishment for whatever reason the service will be tendered in the normal way under the Procurement Rules set out in the Scheme of Delegation of Chief Officers.

Financial

The savings identified in this report total £2 million and will be delivered from April 2015. The remaining £2 million savings will be achieved through reductions to funding for floating support and supported lodgings, decommissioning family intervention projects and reduction to the hourly rates of mental health services.

Equality and Diversity

An Equality Analysis is set out at Appendix 'A'.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
N/A		
Reason for inclusion in Part II, if appropriate		

N/A