

Report to:	CABINET	
Report of:	Acting Strategic Director of Place	
Date of Decision:	24th January 2017	
SUBJECT:	REVIEW AND FUTURE OPERATING MODEL FOR THE SHELTERED HOUSING SERVICE	
Key Decision: Yes	Relevant Forward Plan Ref: 002863/2017	
If not in the Forward Plan: (please "X" box)	Chief Executive approved	<input type="checkbox"/>
	O&S Chairman approved	<input type="checkbox"/>
Relevant Cabinet Member(s)	Cllr Peter Griffiths Cabinet Member for Housing and Homes Cllr Ian Ward, Deputy Leader	
Relevant O&S Chairman:	Cllr Victoria Quinn – Chair of Housing and Homes Overview and Scrutiny Committee	
Wards affected:	All Wards	

1. Purpose of report:
1.1 To outline to Cabinet the proposals for the future management of the sheltered housing service including the financial model for the service which are set out in this report.
1.2 To seek Cabinet approval to the recommended approach to remodel the sheltered housing service across the city as set out in this report, including consequential revisions to charges.
1.3 The proposals are subject to the approval of the Council Business Plan and Budget for 2017+ by Council on 28 February 2017 and are consistent with the HRA Business Plan 2017+ and the proposed HRA Budget for 2017/18.

2. Decision(s) recommended:
That Cabinet approve
2.1 The revised Sheltered Housing Service as set out in paragraph 5.3 of this report.
2.2 The revised service charges for this service to be charged from 3 April 2017, subject to approval of the Council Business Plan and Budget 2017+ by Council on 28 February 2017. The proposed increased charges are outlined in paragraph 4.2 of this report.

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3. Consultation

3.1 Internal

The proposals have been presented to Housing Transformation Board which includes representation from Place, People and Economy Directorates with broad support to the proposals. Trade Unions and staff have been consulted on the proposals and are supportive of them. All elected members and MPs have received a briefing on the proposals.

Officers from City Finance, Human Resources and Legal Services have been involved in the drafting of this report.

3.2 External

The Chartered Institute of Housing undertook a programme of consultation with tenants of sheltered housing in 2014. The key priority expressed by residents was for an onsite presence and help with low level repairs that cannot be carried out through the housing repairs and maintenance contract. The outcomes of this consultation were utilised to inform the proposed new operating model for the service.

As part of the review presentations were made at Sheltered Housing Liaison Boards and district sheltered housing boards and consultation events were carried out at sheltered schemes across the city and all sheltered residents were invited. 408 residents attended. This was followed by a hand delivered questionnaire to all residents. The results of this are attached at Appendix 1 but in summary the findings of this process shows

- 29% of residents responded to the questionnaire.
- 40% of respondents were satisfied with the proposed increase in service charges. (33% dissatisfied).
- 57% of respondents stated that the handy person service was important to them. (Over a quarter felt it was unimportant).
- Changing light bulbs was seen as the most important handy person service. (48%), and 28% stated it was very important.
- Moving items such as pictures was seen as the least important handy person service, with 37% stating it was unimportant and only a third of respondents saying it was important.
- 42% of respondents felt that a floating support service was important. (14% unimportant).
- Over 45% of respondents felt that support to maintain a tenancy and to live independently in your own home were important. (48% living independently).

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

The service provided by the sheltered housing team underpins the City Council's policy statement priorities "a healthy, happy city" by enabling older people across all council tenancies to feel safe, living with dignity and independence and having engaged lives in their communities.

4.2 Financial Implications

(Will decisions be carried out within existing finance and Resources?)

The proposed revised sheltered housing service forms part of the Housing Revenue Account and is anticipated to cost £2.874m per annum excluding overheads from 2017/18 onwards (subject to approval of the Council Business Plan and Budget 2017+). The cost of the service will be funded from a combination of service charges to tenants (£1.819m) and contributions from the People Directorate (£0.057m), with the residual costs (£1.424m) from tenants rents and other Housing Revenue Account income. Details of the costs and funding of individual elements of the service are set out in the following table.

	Cat I / SHR	Cat II / Extra Care	Floating Support	Hospital Discharge	Re-designation / Admin Support	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Costs						
Employees	744	409	415	92	315	1,975
Premises	669	77				746
Transport	6	3	3	1	2	15
Training	6	3	3	1	2	15
Equipment	6	3	3	1	2	15
Supplies & Services	97	11				108
Total Direct Costs	1,528	506	424	95	321	2,874
Overheads @ 20%	306	101	-	19	-	426
Gross Costs	1,834	607	424	114	321	3,300
Funding						
Recharge to People Directorate				(57)		(57)
Service Charge Income	(1,572)	(247)				(1,819)
Residual Cost funded from HRA	(262)	(360)	(424)	(57)	(321)	(1,424)
Total Funding	(1,834)	(607)	(424)	(114)	(321)	(3,300)
Properties affected	4,382	508	N/A	N/A	N/A	4,890
Weekly Service Charge	£6.90	£9.35	N/A	N/A	N/A	

Due to the proposed reconfiguration of the service, it is only possible to undertake a comparison between the direct budgets for the existing and proposed service in overall terms. This comparison is set out in the following table.

	Existing Service 2016/17 £'000	Proposed Service 2017/18 £'000	Variation £'000
Direct Costs	4,022	2,874	(1,148)
Service Charge / Recharge Income	(1,570)	(1,876)	(306)
Net Cost to the HRA	2,452	998	(1,454)

The proposed service redesign will result in a substantial reduction in numbers of employees required to operate the service, although the majority of this reduction can be delivered through the deletion of vacant posts. This is summarised in the following table.

Grade	Current Budget fte	Proposed Budget fte	Variation fte	Note: Current in post fte
GR5	1	1	-	1
GR4	9	6	(3)	7.6
GR3	91	51	(40)	45.4
GR2	8	3	(5)	2.1
Total	109	61	(48)	56.1

Based on the above costs the proposed weekly service charges from 3 April 2017 are:

- Cat I - £6.90 (previously £6.71)
- SHR - £6.90 (previously £4.59)
- Cat II and Extra Care - £9.35 (previously £6.71)

4.3 Legal Implications

The Housing Act 1985, Part II requires every local housing authority to consider housing conditions in their district and the needs of the district with respect to the provision of further housing accommodation. The Act further provides that the local authority may acquire houses or buildings for housing purposes. Under Section 24 a local housing authority may make such reasonable charges as they may determine for the tenancy or occupation of their houses.

4.4 Public Sector Equality Duty

A copy of the Equality Act 2010 – Public Sector Duty statement is appended – Appendix 2A together with the initial equality assessment screening – Appendix 2B.

5. Relevant background/chronology of key events:

- 5.1 There are 4890 sheltered housing units across 127 sheltered housing schemes within the Housing Revenue Account managed by the Place Directorate. The sheltered housing service provides housing related support to assist older people who are vulnerable to live as independently as possible
- 5.2 Until 2012/13, the support element of the sheltered housing service was funded through Supporting people Grant (£2.7m per annum), with the property related element being funded through service charges to tenants in receipt of the service. In 2013/14, all Supporting People funding to the HRA sheltered housing service ceased. Since this time the support element of the services provided to tenants has been fully funded through the Housing Revenue Account, whilst options for the future delivery and funding of the service were considered. Given the substantial savings to be delivered within the HRA (of £42m per annum by 2019/20), this arrangement cannot continue going forward. The service charge elements have been calculated to ensure the amounts charged to tenants are eligible for Housing Benefit. It should be noted that Housing Benefit cannot fund any direct support or care that is provided to the tenant, but is limited to property related costs. This has necessitated the need to propose a change in the current roles undertaken as a part of this service.
- 5.3 Following the work undertaken by the Chartered Institute of Housing in 2014/15, residents were asked what was important to them about the sheltered housing service. The consultation told us that residents wanted more of a site presence and would like to see a handy person type role. We have developed a recommended future operating model as outlined below.

1. High Rise and Category I schemes –

There are 35 high rise schemes that were designated as sheltered accommodation in the 1980s with a ground floor flat being used as the communal lounge. Many of these schemes do not meet the needs of older people.

Category I schemes tend to be purpose built with properties dispersed around a communal lounge. These schemes have common rooms and some have laundry and well-being rooms. In Birmingham we do have some schemes that were not purpose built and were previously general needs housing.

Under the future operating model there would be provision of a dedicated twice weekly visit to each scheme covering:

- a) health and safety checks for the scheme including a property risk assessment
- b) management of any contractors visiting the scheme (e.g. cleaning contractors)
- c) provision of a low level handy-person service for any repairs that are not part of the housing repairs and maintenance contract, i.e. changing light bulbs, support in demonstrating how to use the heating system, putting up curtain rails. These were priorities for residents as detailed through the consultation
- d) providing advice and assistance on housing matters including referring for other support where required

2. Category II and Extra Care schemes

These schemes are purpose built and have communal facilities that support an older person to live independently. These include assisted bathrooms, well-being rooms, guest bedrooms, mobility scooter rooms and walk in showers. Some schemes also offer meal services in partnership with Age Concern.

The future service model at these schemes aims to maintain the existing dedicated support service which will provide a combination of housing related support, management of the building, housing management duties such as lettings and take to views and also help to facilitate and encourage residents to attend activities in the schemes as part of the well-being agenda.

The extra care schemes are run in partnership with Adults Social Care and offer residents independent living supported by a combination of care and support services. Allocations to these schemes aim to keep a balance of care within the scheme.

3. Floating support service for older people

The numbers of older people who live in sheltered housing make up approximately only 5% of our older council tenants. It has been shown that good housing related support can slow down an individual's entry into residential care which can save £28,000 per individual per year to the social care budget.

Under the future service model the floating support service would:

- a) Support an older person to help them sustain their tenancy across all BCC stock, not just sheltered housing.
- b) Help someone to live independently by ensuring that they have all the right services in place to achieve this.
- c) Encourage and signpost individuals to access social activities to improve their well-being.

4. Hospital Discharge service

The hospital discharge service was set up in April 2010 to assist with delayed discharges where delays were due to housing issues. Prior to the service being implemented there were lengthy delays in hospitals due to no links being in place between social workers, health professionals and housing officers. In the last financial year ending 31st March 2016, 287 referrals were received and the team assisted 144 patients. It is not proposed to change this element of the service. The People Directorate has also agreed to fund 50% of the cost of this service.

5. Re-designation project team

A programme of re-designation to change some of the less popular sheltered high rise schemes into general needs housing forms an important part of the service transformation. This requires careful management and is currently undertaken by a dedicated project team of 4 officers to ensure that adverse impacts on tenants are minimised. This project team will need to be continued until all re-designation activity has been concluded. The time period for this is likely to be around 5 years.

6. Evaluation of alternative option(s):

- 6.1 Discontinuing with the service with effect from 1st April 2017- set in the context of safeguarding responsibilities, the Health and Well Being agenda, the challenges faced by Adults Social Care to keep older people staying at home and out of residential care, there are opportunities to improve the lives of older people which would be lost by ceasing the support service.

The City Council is aware that people are living longer and a third of our council tenancies have a member of the household who is over the age of 60. As a landlord the City Council must ensure that it delivers effective tenancy management to enable tenants to sustain their tenancies. Wholesale discontinuation of the support service would leave a gap and create associated risk.

- 6.2 Fully fund through tenants rents and other Housing Revenue Account income – it is inappropriate for the costs of service delivery to be funded from the wider tenant base of 63000 given that the benefits of the services are only delivered in relation to 4890 properties. This approach also imposes an unaffordable pressure on the overall HRA following the 1% per annum reduction in rent charges for 4 years which will result in an on-going reduction in HRA resources of £42 million per annum by 2020.

- 6.3 Identify alternative funding - the service will continue to explore this option and have already been successful in securing funding from the People Directorate to fund 50% of the Hospital Discharge service (£57,000). Any further funding identified will either allow the level of service charges to be reduced, or reduce the residual financial burden on the HRA. It is however likely that the scope of any such additional funding is likely to be limited.

- 6.4 Retain the existing service model, but increase service charges – Service charges on sheltered housing schemes currently range from £4.59 to £ 6.71 per week. The income from this funds the maintenance and cleaning of the common rooms, it does not contribute to any of the costs relating to support officers. Nationally, service charges are typically in the region of £18.00 per week. (Figure provided by Chartered Institute Of Housing).

In order to be eligible for Housing benefit, any service charges needs to be calculated by reference to property related costs, rather than person related support costs. This substantially limits the scope to increase charges to recover other costs incurred whilst retaining Housing Benefit eligibility.

7. Reasons for Decision(s):

- 7.1 To ensure that a service is delivered to help tenants retain their independence and provide support to those that need it.
- 7.2 To ensure the financial sustainability of the service going forward.

Signatures		<u>Date</u>
Cabinet Members	<p>.....</p> <p>Cllr Peter Griffiths Cabinet Member for Housing and Homes</p>	<p>.....</p>
	<p>.....</p> <p>Cllr Ian Ward Deputy Leader</p>	<p>.....</p>
Chief Officer	<p>.....</p> <p>Jacqui Kennedy Acting Strategic Director of Place</p>	<p>.....</p>

List of Background Documents used to compile this Report:
Nil

List of Appendices accompanying this Report (if any):
1. Analysis – Sheltered Housing review 2A. Public Sector Equality Statement 2B. Equality Analysis

Report Version		Dated	
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