

CABINET (HOUSING) COMMITTEE

29 JUNE 2011

SUPPORTED HOUSING PRIORITIES & EMERGING ISSUES

REPORT OF HEAD OF LANDLORD SERVICES

Contact Officer: STEVE TONG Tel No: 01962 848298

RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

This report highlights a number of emerging issues and risks facing the Council's Supported Housing Service. The Service has been unable to operate within grant funding and direct income received and relies on direct subsidy from the Housing Revenue Account, which receives no Government allowances for such work. The report raises a number of questions that need detailed consideration and recommends that the Informal Member/Officer Group on Supported Housing be tasked with reviewing options in detail.

The report also recommends that consideration be given to the rationalisation of Extra Care services and proposes that consultation with residents that could be affected by that rationalisation be commenced with immediate effect.

RECOMMENDATIONS:

- 1 That a consultation exercise with the tenants at Victoria House, Matilda Place and Danmark Court over proposed changes to the Extra Care service, and a temporary amendment to allocation arrangements for those schemes pending a final decision (as set out in paragraph 4.3 of the report), be approved.
- 2 That the Supported Housing Member/Officer Working Group be asked to consider the highlighted questions/issues in relation to the future of the Supported Housing Service included within the report in detail and make recommendations on the preferred options.

CABINET (HOUSING) COMMITTEE29 JUNE 2011SUPPORTED HOUSING PRIORITIES & EMERGING ISSUESREPORT OF HEAD OF LANDLORD SERVICES1 Introduction

- 1.1 The Supported Housing Service is operating in a rapidly changing environment, and is facing a number of challenges prompted by financial considerations and increasing demands and expectations placed on the service. The City Council acts as a provider of care and support services, with Hampshire County Council acting as the commissioning and funding body. The services concerned were traditionally provided directly by landlords and funded through housing benefit and service charges, but were required to be separated out with the introduction of the Supporting People regime. Although the funding is met by Hampshire as commissioner, tenants still regard these support services as a core part of their tenancy agreement with the Council.
- 1.2 Through their reviews of older persons services, the HCC Supporting People team continue to challenge support services provided by landlords, initially by limiting grant funding but in future by direct tendering of those services, exposing services to open market competition. Some of the service standards the Council currently works to are higher than those provided by others, and some services simply cost more than can be afforded at current funding levels.
- 1.3 Despite numerous cost saving measures and steps to improve income, the supported housing service is currently unable to fully cover its operating costs. A review of services for older people is being undertaken by Hampshire Supporting People team which is likely to result in a significant reduction in the funding paid to the City Council for support services with effect from April 2012. Further detail on changes to future funding will be known following consideration of the issue by County Core Group
- 1.3 This report highlights the main issues facing the Service, sets out some of the key questions and challenges being faced and proposes that the Supported Housing Member/Officer Working Group be instructed to examine the issues in more depth and recommend the best way forward for elements of the Service.

2 Scope of the Service

- 2.1 The sheltered housing service represents the largest element of supported housing, providing approximately 1000 units of accommodation and tenancy support. There is a team of twenty four Support Officers who operate in three hubs covering Winchester City, the north of the district and the south. Eight members of the team provide a 24 hour response service to out of hours emergencies across the District. In the recent tenant satisfaction survey, there was a 97% satisfaction rate with the sheltered housing service. Support costs are now identified separately from rents and service charges, with the support element being funded through Supporting People grant. A number of posts have been removed from the establishment in the last two years to reduce costs.
- 2.2 The extra care service offers 44 flats at Victoria House and Matilda Place in central Winchester. As well as enjoying a safe, secure housing environment, tenants benefit from support and personal care services. The care element is funded by HCC Adult Services and the support service by HCC Supporting People team. This service has also been restructured, saving 2.33 supervisory grade posts.
- 2.3 The community alarm service provides alarm equipment to older people and other vulnerable clients and offers round the clock monitoring of alarms, with a responding service to assist where required. The service is based at Hyde Lodge, a sheltered housing scheme in central Winchester. Technology in the community alarm industry is developing rapidly, with a wide range of telecare sensors already on the market and an anticipated growth in telehealth (enabling clinicians to monitor those with chronic conditions in their own home). These services all provide opportunities for people to continue to live independently at home for longer and stay out of residential care or hospital. The growth in this service has been managed largely within existing resources.
- 2.4 The Council operates three hostels for homeless families and single people. As well as providing applicants with a place to live, support is given to help equip them for independent living and break the cycle of homelessness. The hostels are situated at 84-86 Sussex Street (10 units), Lent Hill Court Stanmore (8 units) and Brittany House Wickham (6 units). Income for this service is received from licence fees, service charges and a small amount of Supporting People Grant. Staffing resources have been substantially reduced, from three staff working 81 hours per week to one officer working 29 hours with a second officer (currently on maternity leave) working 15 hours. Supporting People Grant pays for 14.1 hours per week of support, leaving the balance of the hours to be met from other income

3 Costs of Operating the Supported Housing Service

- 3.1 As outlined above, the Supported Housing service offers a range of invaluable services to older people and other vulnerable members of the community. Funding is drawn from a number of sources which include Supporting People funding, Adult Services grant, elements of service charge income, a proportion of property rents and some direct charges for services. Under accounting rules, the services should be self-sufficient, with income matched to expenditure. However, despite significant changes to operations, this remains a challenge. As shown in the table below the funding shortfall is in the region of £300,000 per annum. An anticipated 18% reduction in Supporting People Grant will further exacerbate the situation.

Supported Housing Service Summary - 2010/11 Outturn

Service		
Housing Management - Special	Central Control	186,979
	Homelessness	24,720
	Sheltered Housing	833,830
	Extra Care - General	334,733
Housing Management - Special Total		1,380,262
	Sheltered Charges	(436,814)
	Supporting People	(646,038)
Income		(1,082,852)
(Surplus)/Deficit		297,410

4 Extra Care and Dementia Care

- 4.1 The 25 flats at Victoria House are self-contained bed-sits which are considered by Supporting People to be no longer suitable for long-term occupation. It is proposed therefore to relocate the Extra Care service to Danemark Court which contains 35 one and two bedroomed flats.
- 4.2 The need has been identified in conjunction with Adult Services for an Extra Care facility for service users with a diagnosis of dementia. Currently, the only available provision for this client group in Winchester is residential care and it is proposed therefore that Matilda Place should be converted to a dementia care facility.
- 4.3 Consultation with the tenants on the proposed changes is scheduled to take place in July. Pending a final decision on the remodelling of the three schemes concerned, it is requested that authority be given to amend the allocation arrangements for the three schemes, so that advertisements and allocations of vacant properties are directed towards the proposed client groups. This would not compromise the integrity of the existing services and is considered preferable to holding

vacancies empty (which would generate a loss in income and deny access to supported housing for vulnerable applicants).

- 4.4 The current contract with Hampshire Adult Services for Extra Care is being extended in the short term to allow the service remodelling to take place. Once that process is completed, however, the service will be exposed to competitive tender, with no guarantee that the City Council team will win the contract. The care service is registered with the Care Quality Commission as a domiciliary care agency, and performs consistently well, being rated as excellent or good in every element of the CQC monitoring standards.

5 Temporary Accommodation for Homelessness

- 5.1 The Sussex Street premises were leased to the University of Winchester for the 2009/10 academic year and at that time it was anticipated that the Council could manage with the reduced number of units. However, since taking back the premises last summer, the demand for temporary accommodation has increased significantly, and it is considered by the Strategic Housing Division that the existing provision of 24 units is the minimum number which is likely to be needed for homelessness in the short to medium term.
- 5.2 84-86 Sussex Street is in a poor state of repair and will require significant capital investment in the near future if the buildings are to be retained. Furthermore, the layout of the properties makes access impossible for clients with restricted mobility and very difficult for families with small children. In light of this, Cabinet have already given approval for the disposal of the building.
- 5.3 The neighbouring property at 80-82 Sussex Street (formerly part of the hostel) was extensively refurbished in 2004 to provide six self-contained one-bedroomed flats. The building has been leased to A2 Dominion which has used the premises as a supported housing project for young people (Westgate Place). A2 Dominion also operates the nearby City Road Project and has a single staff team to manage the two facilities. The Association has been seeking to rationalise its services onto a single site, and also needs to sell City Road due to its own high costs of maintenance and limited suitability for the purpose.
- 5.4 Victoria House could potentially offer much more suitable accommodation for the A2 Dominion projects and a city centre homelessness facility for the Council. 15 flats could be leased to the Housing Association with 10 flats being retained for the Council to use as temporary accommodation. It is anticipated that Victoria House could be available to use within a twelve to eighteen month timeframe. Discussions with A2 Dominion are progressing over this proposal which, if achieved, would allow the Council to sell the whole of the Sussex Street site (80-86) and A2 to dispose of City Road. Both properties would be expected to generate significant capital receipts.

6 Community Alarm service

- 6.1 The community alarm service offers hardwired alarm links for the Council's sheltered schemes and installs dispersed alarm equipment in other locations (irrespective of tenure). The Council has worked closely with Hampshire County Council to offer telecare services and it is anticipated that demand for this technology will continue to grow.
- 6.2 The provision of an alarm service is an integral part of sheltered housing and will always need to be provided. The Council has always offered a responding service as an additional benefit for our alarm customers, which is a particular benefit for those who do not have friends or relatives nearby to assist in the event of an emergency. However, two responding teams are in place to minimise response times across the 250 square miles contained within the district, and this adds to the cost of running the service.
- 6.2 The alarm monitoring, installation and responding services are fully accredited by the Telecare Services Association (the recognised industry standard). In addition to services to our own tenants and older service users, the control centre also undertakes a variety of other work for the Council, including the emergency repairs service for our tenants, dealing with out of hours calls for other Council services and being a key partner in the Council's emergency planning and disaster recovery arrangements.
- 6.3 The 24 hour nature of the alarm and responding services inevitably makes them expensive to run. However, they offer a substantial benefit for Winchester residents. Potentially the monitoring of alarms could be undertaken by another provider, but the local nature of the existing services is greatly appreciated by our customers. If costs are to be significantly reduced, options to consider would need to include measures such as closure of the community alarm service; partnering with another monitoring centre; and reductions in out of hours staffing levels. The savings achieved would have to be weighed against the impact on service standards.

7. Competitive Tendering

- 7.1 Opportunities to provide Community Alarm and Telecare services and the personal care element of Extra Care Housing services are increasingly being offered via a competitive tendering process.
- 7.2 Many of the costs associated with providing these services are fixed, and therefore it would be beneficial to defray those costs where possible by taking on additional work. In order to bid for contracts, the Council will need to participate in competitive tenders as a service provider. The monitoring of Community Alarm connections will take place at the Council's Central Control station at Hyde Lodge. Extra Care opportunities are likely to arise within Hampshire but outside of Winchester district.

- 7.3 The advice received from the Legal Services team is that local authorities may deliver professional services outside their district to another local authority or public authority or body as provided for within the Local Authorities (Goods and Services) Act 1970. However, approval is required from Cabinet or under delegated authority before tenders can be submitted. This authority will need to be established to allow officers to proceed.
- 7.4 Currently, Hampshire County Council is inviting tenders for provision of Care and Support services to Extra Care schemes in the New Forest area. The deadline for the submission of tenders is 31 August 2011. Officer discussions with Hampshire County Council indicate that they would welcome a tender submission from the City Council as it has experience of delivering an Extra Care service.

8. Sheltered Scheme Designations

- 8.1 Despite an ageing population, demand for sheltered housing in recent years has reduced significantly. This is no doubt partly due to the fact that certain Council schemes were never designed to cater for the level of assisted living many sheltered tenants now require. Some schemes are no different than general needs communal flats (except for hard wired alarms) and offer no additional support facilities. It is these schemes that have very low demand when vacancies arise and in light of the very high demand for “general needs” schemes, consideration has to be given to changing their designation. Work on reviewing and rationalising the sheltered housing stock is ongoing as discussed at the Supported Housing Informal Working Group. Subject to the outcome of tenant consultation, proposals to de-designate a number of schemes from “sheltered” to “general needs” and reduce the overall number of sheltered units will be brought to this Committee in September. .

9. Key Questions

- 9.1 In light of the current position and future challenges facing the Supported Housing Service in the next two years, there are a number of key questions that the Council will need to consider, including:
- Does the Council see itself as continuing to have a role in providing support services? If so, a number of options need to be considered.
 - The Council may feel that all the services offered are essential at their current levels and therefore wish to remain as a provider of care and support services by funding the income shortfall.
 - The Council may wish to remain as provider but only on the basis that the services can deliver a balanced budget.

- It may be however that, in view of the financial challenges facing Supported Housing, the Council should consider withdrawing from providing care and support.
 - What steps should be taken to generate additional income? (e.g. tendering for additional work, if necessary outside the District).
 - What opportunities exist for further reducing expenditure?
 - In view of the exposure of the Extra Care service to competition, what should be the Council's view on managing staffing costs?
- 9.2. It is recommended that the Supported Housing Informal Member/Officer Group be requested to review these issues in detail and consider options for ensuring that the needs and aspirations of supported tenants are managed effectively, whether that be directly by the City Council or by other providers.

OTHER CONSIDERATIONS:

10. SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

- 10.1 Many of the services highlighted support the priorities and objectives set out in the Community Strategy and the Council's Change Plans. These include the range of sheltered and community alarm services as well as the proposals for a dementia care service and improved accommodation for young people's project

11 RESOURCE IMPLICATIONS:

- 11.1 The closure of Victoria House will release that property for sale, generating a capital receipt or for the alternative use outlined above. Reduction in tenant numbers at Victoria House prior to closure will result in a loss of revenue to the HRA (each flat currently generates a weekly rent of between £67.86 and £68.87).
- 11.2 Some capital works and revenue expenditure would be required to Matilda Place, Danemark Court and Victoria House although the cost of these works would be comfortably offset by the capital receipts generated from the disposal of the Sussex Street premises and Barnes House.
- 11.3 As discussed in this report, policy decisions over the levels of service the Council requires will be a key factor in determining how the current funding gap is addressed.

12. TACT COMMENT

- 12.1 TACT whilst having every sympathy with the council in the tasks ahead of them regarding this paper, along with councils all around the country in the same position, feel the government will find the repercussions from the funding cuts being imposed by them will come back to haunt them for a very long time, and that they will live to regret them. However the funding cuts have to be faced and services, will suffer, however much the council tries to solve the issues, and many of the public will have to bear the brunt. TACT are very concerned that as well as paying negative subsidy to the government, the HRA is having to subsidise the Supported Housing Services, as the council is unable to operate with the grant funding it receives. This leaves TACT wondering is there anything the HRA does not have to subsidise?
- 12.3 The changes to the possible use of Victoria House, and Matilda Place and Denmark Court will require careful consideration; we do not want a White Wings/Denmead situation occurring again. Whilst the Sheltered Housing Service may have come out well in recent tenant service surveys with 97% satisfaction rate, this is before any changes or cuts have had a chance to take effect once they have TACT feel the results will be much less than the 97% in the future.
- 12.4 Extra Care and Dementia Care are a vital part of today's world, TACT will support any moves to improve the service, and the proposed changes to the use of Matilda Place sound promising. The Consultation with the tenants in July will play a vital part, and need to be handled carefully to ensure that tenants are not fearful of their future accommodation if moves have to be made for them, and that they will not have to bear the cost of such a move to accommodate the council's plans.
- 12.5 Temporary Accommodation for Homelessness, TACT has grave concerns regarding the future of this service mainly due to the cuts in funding imposed by the government. Whilst selling of properties may seem promising at the time the repercussions later may have a devastating effect, and TACT understand that many councils are having to go back to providing B&B accommodation, a scheme once opposed by the government in the past, homelessness if anything will be on the increase and not go away.
- 12.6 These few TACT comments are just the tip of the iceberg and TACT will be raising many more at the meeting, for like the council TACT are determined that the recipients of Supported Housing get the best service possible, under very difficult government funding cuts, one could argue who is to blame all day it will not change the effect that it is going to have over time on the people who need these services most, and that is the major concern of TACT and I am sure the Council.

Alan Rickman TACT Chair