



Service Charges for Sheltered Accommodation

SUMMARY

- 1.1 Derby Homes' Board has requested approval from the Council for a new structure of service charges relating to their sheltered accommodation, to be implemented from January 2007.
- 1.2 For a minority of users who self fund the service, there will be a reduction in the fee for the full service from £21.58 a week to a new flat rate of £12.20 a week. The full list of proposed charges is listed in the detailed report on this issue.
- 1.3 Subject to any issues raised at the meeting, I support the following recommendation:

RECOMMENDATION

2. To approve the proposed charges for sheltered accommodation service shown in Table 1 to the report, subject to the agreement of the Community Scrutiny Commission on 4th December.

REASON FOR RECOMMENDATIONS

3. As a result of a reduction in available Supporting People funding, and a need to modernise the service, as highlighted by the Supported Accommodation for Older People Strategy, the support service for sheltered accommodation is being changed by Derby Homes from one fixed to the property to one that relates to the individual and their required level of care. As a result, the service has been restructured to relate to this new means of support. The previous full charge of £21.58 can no longer be justified for those that pay a contribution as the service has been scaled to overall need. The improved efficiency of the service can therefore be passed on to those customers that pay the full charge in the form of a lower charge.



Service Charges for Sheltered Accommodation

SUPPORTING INFORMATION

- 1.1 Derby Homes Board considered a report on their review of sheltered housing – service charges at their meeting of 31 August 2006. They have now put these forward for approval by the Council. Their report is attached at Appendix 2.
- 1.2 The government has imposed a limit for increases to all service charges for Council tenants of the retail prices index, RPI, plus 0.5% in any year. As a result, the recommended charges for the remainder of 2006/07 will have to be amended to fit within the RPI for September 2005 of 2.7% plus 0.5%, so a maximum increase for 2006/07 of 3.2% can be agreed. For 2007/08 charges, the limit will be 4.1%, being September 2006 RPI of 3.6% plus 0.5%. The implementation of these new charges has been deferred until the implementation of the restructuring of the supported accommodation service. There are therefore two proposed increases – one from January 2007, for 2006/07, and a further one for 2007/08 from April 2007.
- 1.3 The Gold and Bronze Carelink charges proposed by the Derby Homes Board would also be greater than those levied by the Council directly for paying customers. To increase these charges for these few tenants would mean that they paid more for their service than new Council customers, who benefit from the economies of scale that Carelink has been generating for a number of years. It is therefore proposed that, wherever possible, rates for these services should be kept in line with Council charges to other paying customers.
- 1.4 In terms of the main charges, those tenants receiving the service since before April 2003 were protected from the full charge, and have paid a lower rate of £7.53 a week, and those few tenants receiving a part time support service at present, moving onto the new service pay a reduced £11.23 a week, but will be receiving the same service as those on the full service. Derby Homes were seeking to phase out these discounts, but this is effectively constrained by the limit on service charge increases to individual properties described in 1.2 above. The 2006/07 full charge for those starting to receive the service after April 2003 will be reduced from £21.58 to £12.20, reflecting the much lower costs of operating the new support service. This will rise to £12.70 next year in line with other service charges.
- 1.5 Each of these charges is quoted on a 48-week basis. Tenants are given 4 rent free weeks each year. On the Gold and Bronze carelink charges, therefore, the nominal rate appears to be higher for Council tenants than for other customers, but this is not the case. The proposed £2.71 a week on a 48-week basis for the Gold Service is

equivalent to £2.50 a week over 52 weeks – the same as the Council charge to other customers, and the charge for the bronze service in 2007/08 is the equivalent of the £1.90 a week charged to other customers of Carelink.

1.6 These changes will result in the following amended charges:

Table 1	Current Charge a week 48 weeks	Current Charge a week 52 weeks	Tenants who self-fund	New charge for floating Supported Housing Service (48 weeks) 2006/07	New charge for floating Supported Housing Service (48 weeks) 2007/08
1. Full Charge – tenants after 4/2003	£21.58	£19.92	89	£12.20	£12.70
2. Reduced charged – tenants before 4/2003	£7.53	£6.95	157	£7.77	£8.09
3. Reduced charge – tenants after 4/2003 with part time scheme manager	£11.23	£10.37	30	£11.59	£12.07
4. Piper Service – tenants receive a fortnightly visit plus intercom emergency response	£2.71	£2.50	187	£2.80	£2.91
5. Gold Service – tenants currently receive a fortnightly telephone call and intercom emergency response & 6 monthly visit	£2.63	£2.43	25	£2.71	£2.71
6. Bronze Service – tenants currently receive a intercom emergency response from a named contact and 6 monthly visit	£1.96	£1.81	27	£2.02	£2.06

OTHER OPTIONS CONSIDERED

- 2.1 One other option would be to reject these proposed changes, requiring Derby Homes to delay implementation of these new charges until charges could be agreed for the new services. The new service needs to move to a consistent charging system, and it is for this reason that these charges are proposed.

For more information contact: Officer David Enticott Tel 255318 e-mail david.enticott@derby.gov.uk
Background papers: None
List of appendices: Appendix 1 – Implications
Appendix 2 – Derby Homes Board paper 31 August.

IMPLICATIONS

Financial

1. There is a potential for the Housing Revenue Account, HRA, to lose some income – Derby Homes estimate anything between a surplus – although that is considered unlikely - and at worst a loss of approximately £40,000 a year - as a result of a reduction in charges to those paying. This loss is more than outweighed by the overall cost savings that result from the changes to the services, and that are factored into the production of the overall business plans of both the HRA and Supporting People. The impact of this loss can be absorbed within the overall HRA business plan, which will be updated fully in the new year. The previous full charge cannot in any case be sustained for the new service, as the costs have fallen so significantly. Those currently paying for the service will save around £9 a week when compared to the previous rates being charged for the full service, directly benefiting from the lower costs of the new service.

Legal

2. Service Charges to tenants can no longer be increased by any amount greater than RPI plus 0.5%.

Personnel

3. Derby Homes' staff have been affected by the restructuring of the service. There are no further implications as a result of these proposed charges.

Equalities impact

4. Paying customers will benefit from the new lower full charge.

Corporate priorities

5. The corporate priority of delivering value for money is supported by the reduced cost to both Supporting People and customers of the service benefiting from lower charges in respect of the much lower cost of the new service. Building healthy and independent communities is supported by the potential for the service to move away from an accommodation based approach and relating the services to the relative needs of the users.

DERBY HOMES BOARD
31 AUGUST 2006

ITEM 6

REVIEW OF SHELTERED HOUSING – SERVICE CHARGES

Report of the Director of Housing & Customer Service

1. SUMMARY OF REPORT

- 1.1 This report advises the Board of progress made so far in implementing the Sheltered Housing review.
- 1.2 The report also deals with the introduction of single flat rate charge to replace existing charges.

2. RECOMMENDATION

The Board is requested to approve and recommend to the Council:

1. the introduction of single flat rate charge of £12.20 per week for the new supported living service, for existing self funding tenants in schemes and all new self funding tenants (excluding Gold and Bronze services)
2. that charges to self funding tenants on protected charges of £7.53 a week be increased and then annually by inflation plus ½ % towards the charge of £12.20 a week
3. note that charges and services to self funding Piper, Gold and Bronze services will increase to £2.94, £2.85, and £2.12 respectively, and their current services will be maintained
4. that existing and new customers of Piper, Gold and Bronze services will be offered the new Supported Living Service at the charge of £12.20 for self funded tenants and a report will be brought back to a future meeting of the Board on the take up, and the future of these services and charges
5. authorise the Chief Executive to serve rent variation notices on affected tenants following Council Cabinet approval.

3. MATTER FOR CONSIDERATION

- 3.1 Derby Homes Board, at its meeting on 26 January 2006, agreed to replace the predominantly property based Sheltered Housing with a Supported Living Service, which would be far more flexible, responsive and needs led. This decision was made because of the reduction in Supporting People funding, and to adopt best practice based on services provided elsewhere. This service will allow for changes in levels of support over time, and to reflect short term emergency needs, such as when a tenant is ill, or just returned from hospital. In such circumstances the level of support can increase and be reduced as their

needs increase and reduce.

- 3.2 We have completed communicating the proposed changes to all tenants living in Sheltered Housing, other than those receiving the Piper, Gold and Bronze service. A team of staff gave presentations to over 800 people in groups of tenants, as well as visiting 180 individual tenants who were unable to attend meetings.
- 3.3 We have now commenced the needs assessments to determine residents' individual support needs. These assessments are well on target and will enable individual support plans to be provided to each user of the service.
- 3.4 This information is now being input into the Council's Care link database on a daily basis in readiness for us to commence a phased switch over from November this year.
- 3.5 Since April 2003 there are 7 different Supporting People charges for the service provided by Derby Homes. They reflect the complexity of Supporting People charges and services. It is proposed to replace this with a simplified charging system based on the charges recommended and the fee paid by the Supporting People Commission. The charges also reflect the move to a single flexible Supported Living Service.

<u>Table 1</u>	Charge	Tenants on Supporting People Benefit	Tenants who self-fund	New charge for floating Supported Housing Service
1. Schemes with full time Scheme Manager – tenants who moved in after 1 April 2003	£21.58	1146	89	£12.20
2. Scheme with full time Scheme Manager – tenants who self fund and moved in before 1 April 2003	£7.53	0	122	£7.53 but increased by inflation + ½ % each April
3. Schemes with part time Scheme Manager – tenants who moved in after 1 April 2003	£11.23	271	30	£12.20
4. Scheme with part time Scheme Manager – self funded tenants who moved in before 1 April 2003	£7.53	0	35	£7.53 but increased by inflation + ½ % each April

Table 1	Charge	Tenants on Supporting People Benefit	Tenants who self-fund	New charge for floating Supported Housing Service
5. Piper Service – tenants currently receive a fortnightly visit plus intercom emergency response from a support officer	£2.71	699	187	£2.94
6. Gold Service – tenants currently receive a fortnightly telephone call and intercom emergency response from a support officer & 6 monthly visit	£2.50	47	25	£2.85
7. Bronze Service – tenants currently receive a intercom emergency response from a named contact and 6 monthly visit	£1.90	43	27	£2.12
		2,206	515	

3.6 As the table shows this change will have no impact on 2,206 tenants who currently have all Supporting People charges paid by Supporting People budget.

3.7 As the table shows there are 515 self-funders amongst the 2,721 users of this service. The impact of these new charges are that there will be 'winners' and 'losers'.

Charge 1: 89 users who currently pay £21.58 will benefit from a reduction to £12.20

Charge 2 & 4: 157 users who currently pay £7.53 will pay an increased charge to be reviewed each April, increased by inflation plus ½ %

Charge 3: 30 users who currently pay £11.23 will pay an increased charge of £12.20

Charge 5, 187 users who currently pay £2.71 will pay £2.94

Charge 6 25 users who currently pay £2.50 will pay £2.85

Charge 7 27 users who currently pay £1.90 will pay £2.12

- 3.8 It should be noted that the new contracts agreed with the Supporting People Commission do not reflect this level of service provided by Derby Homes.

Table 2	DH Service (excluding self funders)	SP Contract funded	Price per unit	Total Income
Supported Living Service	1417	971	£12.20	£568,571.99
Piper	699	645	£2.94	£90,950.77
Gold	47	61	£2.85	£8,342.36
Bronze	43	78	£2.12	£7,952.77
Total	2206	1755	£8.02 per tenant	£675,817.89

- 3.9 There will be considerable pressure placed on Derby Homes' staff to provide the level of services needed within the limited funds available. The Council has provided temporary funding for 2006-8 to allow for the service to be redesigned, and this will assist in restructuring the service. It is planned to align the service provided more closely to the contract by April 2008. Closure of some schemes and decommissioning of Piper services will help to achieve this.
- 3.10 All existing Piper, Gold and Bronze tenants will continue to receive their current level of service (see Appendix 1). New tenants entering the service will be offered the Supported Living Service, and self funders will pay £12.20.
- 3.11 We will visit all self funders in Piper, Gold and Bronze to offer them the new Supported Living Service, and any who agree to change will pay £12.20 a week. A report in this exercise will be brought forward to a future meeting of the Board. It may be necessary to review the future of the Piper, Gold and Bronze service at that stage.
- 3.12 Once we have equalised the service to its funding level we will look to expand this service into the private sector, with the aim of providing it to owner occupiers and private tenants.

4. CONSULTATION IMPLICATIONS

Consultation is ongoing with various stakeholders including:

- Tenants affected by this change
- Sheltered Housing Offering Unity & Trust (SHOUT) group
- Councillors have been kept informed

5. FINANCIAL AND BUSINESS PLAN IMPLICATIONS INCLUDING EFFICIENCY SAVINGS

- 5.1 The actions and proposals contained within this report are based on the financial and business plan implications detailed in the Future of Sheltered Housing report – Derby Homes Board 26 January 2006.
- 5.2 The main impact on the Housing Revenue Account arises from changes to the charges levied to tenants who pay for the service themselves. Appendix 2 sets out various scenarios, dependent upon decisions of Piper, Gold and Bronze tenants to take up the new Supported Living Service. The maximum loss to the Housing Revenue Account is £43,499 a year, and the maximum gain is £46,979. At this stage it is not possible to predict the take up rate we will achieve, but it is unlikely to be a high take up. This will have an impact on the HRA, which will be subject to discussion with the Council and a report back to the Board.

6. LEGAL AND CONFIDENTIALITY IMPLICATIONS

Derby Homes is legally required under the Housing Act 1985 section 102 to give 4 weeks rent variation notice.

7. PERSONNEL IMPLICATIONS

- 7.1 A working party has been set up to deal with employee issues on a regular basis. The working party is supported by the corporate personnel.
- 7.2 The restructuring of the service will be dealt with according to Derby Homes At Risk, Redeployment and Protection of Earnings policies.
- 7.3 New job descriptions have been agreed with the Trade Unions and we are planning to commence the recruitment process by the time this report is presented to the Board. It is anticipated that the new staffing structure will be in place by the end of August 2006.

8. EQUALITIES IMPACT ASSESSMENT

The new supported housing service will be flexible, responsive and needs led and it will provide for better support to people no matter who they are, where they live, or their income.

The areas listed below have no implications directly arising from this report

- Environmental

Contact Officer: Farooq Malik, Housing Services Manager Telephone 01332 711099, Email: farooq.malik@derbyhomes.org

Background Information: None

Supporting Information: Future of Sheltered Housing. Item A12. Derby Homes Board 26 January 2006.

Service levels currently provided and proposed weekly charges

Supported Living Service £12.20

This service will replace the existing Sheltered Housing Service and it will be far more flexible, responsive and needs led. All tenants will have access to Derby Care link 24/7. All tenants will have their needs assessed to help prepare and put in place individual support plans. After the initial needs assessment their needs will be reviewed regularly to take account of changes in their circumstances.

Needs assessments will be used to determine the number and frequency of visits required i.e. daily, weekly or monthly to ensure their safety. Individual support plans will also take into account tenants changing circumstances. Anyone experiencing sudden illness, bereavement or other emergency in the household will be immediately put on highest support plan. This element makes the service responsive and flexible.

In addition, tenants will be offered opportunities to get involved in a range of social activities to help improve their quality of life and not just quality of support.

Piper Service £2.94

- connection to Care link 24/7
- fortnightly visits by Derby Homes staff
- support officer responds in an emergency
- Care link will hold keys if required.

Gold £2.85 – Derby Homes is contracted to provide 61 units

- connection to Care link 24/7
- keys held at Care link and response from support officers in an emergency
- fortnightly safe and well telephone call from Care link
- six monthly visit by support officer.

Bronze £2.12 – Derby Homes is contracted to provide 78 units

- connection to Care link 24/7
- arrange response to emergency from named contact
- six monthly visit by a support officer.