



Notice of a public

Decision Session - Executive Member for Housing & Safer Neighbourhoods

To: Councillor Lisle (Executive Member)

Date: Monday, 14 August 2017

Time: 4.00 pm

Venue: The Auden Room - Ground Floor, West Offices (G047)

AGENDA

Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any item* on this agenda, notice must be given to Democratic Services by **4:00pm on Wednesday 16 August 2017**.

*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any called in items will be considered by the Customer and Corporate Services Scrutiny Management Committee.

Written representations in respect of items on this agenda should be submitted to Democratic Services by **5.00pm on Thursday 10 August 2017**.

1. **Declarations of Interest**

At this point in the meeting, the Executive Member is asked to declare:

- any personal interests not included on the Register of Interests
 - any prejudicial interests or
 - any disclosable pecuniary interests
- which he might have in respect of business on this agenda.

2. Public Participation

At this point in the meeting, members of the public who have registered their wish to speak at the meeting can do so. The deadline for registering is **5pm on Friday 11 August 2017**.

Members of the public may register to speak on an item on the agenda or an issue within the Executive Member's remit.

Filming, Recording or Webcasting Meetings

Please note this meeting may be filmed and webcast, or recorded, and that includes any registered public speakers, who have given their permission. The broadcast can be viewed at <http://www.york.gov.uk/webcasts>, or if recorded, this will be uploaded to the Council's website following the meeting.

Residents are welcome to photograph, film or record Councillors and Officers at all meetings open to the press and public. This includes the use of social media reporting, i.e. tweeting. Anyone wishing to film, record or take photos at any public meeting should contact the Democracy Officers (whose contact details are at the foot of this agenda) in advance of the meeting.

The Council's protocol on Webcasting, Filming & Recording of Meetings ensures that these practices are carried out in a manner both respectful to the conduct of the meeting and all those present. It can be viewed at http://www.york.gov.uk/download/downloads/id/11406/protocol_f_or_webcasting_filming_and_recording_of_council_meetings_20160809.pdf

3. Minutes (Pages 1 - 2)

To approve and sign the minutes of the Decision Session held on 17 July 2017.

4. Sheltered with Extra Care: Service Charge (Pages 3 - 16)

The Executive Member is asked to approve the proposed option to harmonise the service charge for current and new tenants at Glen Lodge over a phased period. This will ensure that the service charge model is fair and sustainable, whilst reducing the risk of financial hardship to affected tenants.

5. Urgent Business

Any other business which the Executive Member considers urgent under the Local Government Act 1972.

Democracy Officers:

Catherine Clarke and Louise Cook (job share)

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For more information about any of the following please contact the Democracy Officers responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی میا کی جا سکتی ہیں۔ (Urdu)

 (01904) 551550

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City of York Council

Committee Minutes

Meeting	Decision Session - Executive Member for Housing & Safer Neighbourhoods
Date	17 July 2017
Present	Councillor Lisle (Executive Member)

9. Declarations of Interest

At this point in the meeting, the Executive Member was asked to declare any personal interests not included on the Register of Interests, any prejudicial interests or any disclosable pecuniary interests which he had in the business on the agenda. No additional interests were declared.

10. Public Participation

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

11. Minutes

To approve and sign the minutes of the Decision Session held on 19 June 2017.

Resolved: That the minutes of the Decision Session – Executive Member for Housing & Safer Neighbourhoods held on 19 June 2017 be approved and then signed by the Executive Member as a correct record.

12. Homeless review 2016/17

The Executive Member considered a report summarising the activity governed by the Housing Act 1996, the Homelessness Act 2002 and the City of York Council's Homelessness Strategy 2013-18 in respect of the financial year 2016/17. The Service Manager (Housing Options and Homelessness) and the Assistant Director (Housing and Community Safety) attended the meeting to answer potential questions.



**Decision Session – Executive Member for
Housing & Safer Neighbourhoods****14th August 2017**

Report of the Assistant Director of Housing and Community Safety
Executive Member for Housing & Safer Neighbourhoods

Sheltered with Extra Care: Service Charge**Summary**

1. The Executive Member is asked to approve the proposed option to harmonise the service charge for current and new tenants at Glen Lodge over a phased period. This will ensure that the service charge model is fair and sustainable, whilst reducing the risk of financial hardship to affected tenants.

Recommendations

2. The Executive Member is asked to approve Option 1: That a revised charge is applied to all new lettings from 1st September, including current tenants who choose to transfer to a different property in Glen Lodge. Existing tenants will be charged the new service charge, in line with the annual rent increase in April 2018. Tenants who are directly financially affected and may experience hardship will have this mitigated, so that their weekly service charge will increase by £8 a week, each year until they are paying the full rate. The final staffing model for intensive housing management will be phased in line with the changing demographics of tenants.

Reason: This approach will ensure the council are able to charge for the cost of services as properties are re-let and ensure that the service model is both equitable and financially sustainable for the future. Current tenants who do not qualify for Housing Benefit will be directly affected by the increase in charge, however phasing this from the rent increase in over a period of around 10 years from April 2018 will allow customers sufficient time to prepare for the increase, and reduce or eliminate the risk of financial hardship or distress. The Intensive Housing Management staffing in Glen Lodge will be increased in line with the increase in

customer need as properties are re-let to customers with a higher level of need.

Harmonising the service charge and staffing levels at the same rate allow the staffing to be increased at a pace to ensure customers are appropriately supported, without incurring a financial deficit to the council.

Background

3. Glen Lodge is a sheltered housing with extra care scheme currently comprising 42 properties, along with a communal lounge/dining area and a range of other communal amenities. Tenants pay a service charge in addition to their core rent. A part of this relates to utilities in their own property, and is the sole responsibility of the tenant. The main part of the service charge relates to the communal costs of the scheme, and is eligible for housing benefit depending on individual eligibility, this is made up of:
 - Renewals
 - Furnishings and decor in communal areas
 - Intensive Housing Management
 - On site intensive housing management provided across 2 teams (housing and personal support service) to meet the housing related needs of the tenant group
 - Servicing charges
 - Maintenance/cleaning/equipment servicing/utilities in communal areas
4. This service charge is based on a significantly out-dated model, which does not include the intensive housing management provided on site. In addition the income from the service charge is currently pooled with the Councils other 10 sheltered and extra care schemes.
5. Glen Lodge is being extended to provide an additional 27 accessible and dementia ready properties, in total the scheme will comprise 69 properties once complete. In addition several new communal and social spaces for tenants will be provided inside and outside. The purpose of the extension to this scheme is to provide a suitable and desirable housing option for older people with high care needs and/or dementia, to enable them to continue to live independently as long as possible. This

will prevent, reduce and delay the need for increased formal care or for admission into residential care.

6. All allocations are made via a panel including social workers, care team and housing staff, and are prioritised based on the holistic needs of the individual. All applicants have a social care assessment, and assessed care needs are met by the in-house Personal Support Service care team (PSS) subject to customer preference.
7. In addition to the assessed care needs of customers there is a higher level of Intensive Housing Management (IHM) required at Glen Lodge as compared to standard Sheltered Housing or general needs housing. This is because the higher level of need in the customer group means that tenants require more intensive input to maintain an independent tenancy, as a result of health or higher levels of vulnerability. In particular, many common symptoms of dementia may affect the ability of the individual to maintain a tenancy, for example through symptoms which are experienced as 'nuisance' behaviour by other tenants. Investment in appropriate levels of IHM will enable customers to maintain a tenancy and therefore to maintain their independence in their own home, as opposed to requiring admission into residential care.
8. Following the completion of the additional dementia-ready accommodation it is anticipated that there will be a significant increase in the number of tenants living with dementia and/or with high care needs. Following discussions with the PSS service the following levels of housing management input are determined to be appropriate:
 - Overnight x 1 staff member
 - Evenings/Weekends x 2 staff members
 - 9-5 Monday-Friday x 3 staff members (the additional staff member Mon-Fri will be based in the housing department, to provide specialist housing input to support the wider provision of intensive housing management due to increased traffic in the building during these times)
9. Glen Lodge will be providing a significantly different type of service to customers, as well as increased physical accommodation. Therefore it will be necessary to remove Glen Lodge from the 'pooled' budget which it shares with the other 10 sheltered schemes. This will require the re-calculation of the appropriate service charge to tenants in the other 10 schemes ahead of the next rent review in April 2018. It is unlikely that

removing Glen Lodge from the shared budget will have a significant impact on tenants in other sheltered housing schemes.

10. The current service charge for communal elements which are eligible for housing benefit is £38.04 per property. This is based on an out-dated charging model, which does not include the cost of IHM services which will be required to provide extra care accommodation. It also does not reflect the cost of maintaining the scheme in terms of renewals and servicing, based on the change in tenant demographics and increased communal space as part of the current work.
11. The cost of intensive housing management has been set at £17 per hour, in line with average framework rates.
12. In order to meet the costs of providing IHM, renewals and servicing to maintain the condition of the scheme and provide appropriate levels of management and support to tenants the service charge has been calculated at £120.78 per week.¹ This will qualify for housing benefit based on individual eligibility. Tenants who do not qualify for support from housing benefit will need to cover the service charge as well as the core rent from their income or savings.
13. The total rent plus service charge has been benchmarked and is in line with other sheltered with extra care schemes locally and nationally (see annex).
14. As at July 2017 9 of the 42 tenants living in Glen Lodge are not in receipt of any housing benefit, and would see an impact on their weekly budget as a result of the increase in the service charge.
15. All tenants at Glen Lodge will have access to the same services; therefore the charge has been calculated across all 69 properties.
16. Based on tenancy terminations 2009-14 Glen Lodge has an average turnover of 4 tenancies per year.

Consultation

17. Consultation has been undertaken with the Personal Support Service with regard to the level of IHM that will be required once the model is fully implemented in order to provide appropriate support to the customer

¹ For properties which have non-eligible utility charges included in the service charge the total service charge will be £128.87-£130.91 dependent on property size, with the Housing Benefit eligible part of the charge £114.18.

group. Consultation is also being undertaken regarding the best approach to phasing the increase in on-site staffing hours.

18. All prospective customers for the new properties are being advised of the service charge in order to enable them to make financially informed decisions about their future housing options.
19. Subject to member approval, consultation will be undertaken with all tenants at Glen Lodge, this will include 1-1 discussion with all tenants who will see an impact on their weekly budget. 1-1 discussions will identify and seek to address any concerns that the tenant has in relation to the increase in service charge. Advice and information about budgeting and maximising income will be offered as appropriate. Those tenants who will see an impact on their weekly budget a grant will be available in order to reduce the financial burden. This will mean in effect that the impact on these tenants is staged over a 10 year period, with an £8 increase to the weekly service charge each year. This will mitigate against the risk of hardship for those tenants who will see an impact on their weekly budget.
20. If tenants do not feel that they require the support and services that will be provided at Glen Lodge they will be supported to move if that's their preference, however no tenant will be asked to leave Glen Lodge against their preference.

Options

21. Option 1: That a revised charge is applied to all new lettings from 1st September, including current tenants who choose to transfer to a different property in Glen Lodge. Existing tenants will be charged the new service charge in line with the annual rent increase in April 2018. Tenants who are directly financially affected and may experience hardship will have this mitigated, so that their service charge will increase by £8 to the weekly service charge each year until they are paying the full rate. The final staffing model for intensive housing management will be phased in line with the changing demographics of tenants.
22. Option 2: The revised charge is applied to all new lettings, including current tenants who move to a different property in Glen Lodge. Existing tenants will be asked to meet the full cost of the revised service charge from the start of the new rent year in April 2018.

23. Option 3: Existing customers will not be charged for the provision of intensive Housing Management, renewals and servicing.

Analysis

24. **Option 1:** That a revised charge is applied to all new lettings from 1st September, including current tenants who choose to transfer to a different property in Glen Lodge. Existing tenants will be charged the new service charge, in line with the annual rent increase in April 2018. Tenants who are directly financially affected and may experience hardship will have this mitigated, so that their service charge will increase by £8 to the weekly service charge each year until they are paying the full rate. The final staffing model for intensive housing management will be phased in line with the changing demographics of tenants.
25. This approach will ensure the council are able to charge for the cost of services as properties are re-let and ensure that the service model is both equitable and financially sustainable for the future. Current tenants who do not qualify for Housing Benefit due to higher levels of saving or income will be directly affected by the increase in charge, however phasing this from the rent increase in April 2018 will allow customers sufficient time to prepare for the increase, and reduce or eliminate the risk of financial hardship or distress.
26. The total increase to tenants from the current service charge level will be around £80. For tenants who are directly financially affected a mitigation will be applied so that they will in effect be asked to make an £8 incremental increase; it will take 10 years for these current tenants to harmonise with new tenants based on this phased approach. If tenants are not financially affected by the increase in service charge the mitigation will not be applied.
27. There will be a financial impact to the Council as a result of a phased harmonisation. Based on tenancy terminations 2009-14 Glen Lodge has an average turnover of 4 tenancies per year. Based on this projection it would take approximately 12 years for all properties to be re-let to new tenants paying according to the revised service charge model. However it should be noted that this is based on average turnover, whilst an individual property may be tenanted by the same individual for significantly longer. The focus of staff at Glen Lodge will be to promote the health, wellbeing and independence of tenants. This should be

expected to reduce the rate of terminations, for example through reduced admissions to residential care.

28. Currently not all customers in Glen Lodge require the level of IHM that will be provided once the final staffing model is in place. All customers have secure tenancies and will not be asked to move house, however any customer who does not feel that they require the level of support available will be given the opportunity and assisted to move.
29. As not all existing customers still living at Glen Lodge as at September 2017 will require the higher level of IHM it is more appropriate to increase this gradually, as customer demographics change. This will mitigate the financial impact to the council as a result of phased harmonisation. This is likely to largely fall in line with tenancy turnover, as new tenancies are let to customers with a higher level of need, this will prevent a deficit to the Council. 27 tenancies will be let in September (39% of the total scheme) therefore 39% staffing will initially be put in place. This will be increased over time with reference to the changing needs and demographics of customers.
30. **Option 2:** The revised charge is applied to all new lettings, including current tenants who move to a different property in Glen Lodge. Existing tenants will be asked to meet the full cost of the revised service charge from the start of the new rent year in April 2018.
31. This approach would have the benefit of ensuring the council are able to recoup the cost of services at the earliest opportunity, and ensure that the model is financially sustainable. This would allow IHM staffing to be increased to the final levels from April 2018 without any financial impact to the council. However the financial impact on those customers affected would be very significant, and would risk causing serious financial hardship to customers. Given the vulnerability of the customer group, causing this level of likely hardship and distress to customers would be counter to the council's wider values and policies. In addition, the turnover of current properties will happen gradually, therefore it would be disproportionate to immediately increase staffing given that after the initial 27 properties are let there will be a gradual turnover in the remaining 42 properties.
32. **Option 3:** Existing customers will not be charged for the provision of intensive Housing Management, renewals and servicing.

33. The tenants in all 69 properties will have access to significantly enhanced amenities and services compared to tenants in other forms of tenancy, including other sheltered housing schemes. Customers in other forms of specialised housing with IHM provided on site pay for this additional service as part of their service charge. Therefore it would be inequitable not to pass the cost of these services on to customers, as it would amount to discrimination based on tenure.
34. Customers living in the same building are likely to compare notes with regard to their rent and service charge, and the council would be open to challenge for treating customers inequitably when they receive the same service.
35. This approach would also fall short of the income required in order to pay for the provision of services and the upkeep of the physical environment. This would result either in a financial deficit to the council of £249,369 per year, or the provision of inadequate and unsafe services to customers.

Council Plan

36. Option 1 will contribute towards the council plan: a focus on frontline services - to ensure all residents, particularly the least advantaged, can access reliable services and community facilities. Agreeing an approach to ensure a fair and sustainable charging model will enable the council to continue to provide reliable and appropriate services and community facilities to the tenants of Glen Lodge.

Implications

37. The following implications have been considered:
 - **Financial**
 - The more detailed modelling and assumptions made in calculating the financial impact of the new model of providing IHM is shown in Annex 2. There is a shortfall in the income covering the additional costs of providing IHM of £38k in 2017/18. This will be met from the Older Persons' Accommodation Programme budget
 - From 2018/19 onwards the income generated through the service charge will be sufficient to cover the additional staffing costs based on option 1.
 - The IHM social care staffing costs have already been built into the OPAP financial model (as part of this staffing is already in place) and

exceed the value of the income recoverable from service charges. Tenants are therefore NOT being overcharged for the intensive housing support they receive. The additional income has also been factored in to the OPAP model.

- The model assumes that the full additional IHM staffing is in place from when the scheme opens. There will be flexibility to adjust the staffing resource depending on customer need for the service, but the full staffing costs have been built in to the model from the outset for prudence. This will have to be monitored regularly to ensure the IHM staffing is proportionate to the number of tenants.
- Bad debt provision and loss of income for voids has been built into the model at 5%, this will be subject to review dependent on the projected and true loss through void and bad debt.
- **Human Resources (HR)** - Some of the staff providing the IHM will be redeployed from the Older Person Home closures.
- **Equalities** - The purpose of this proposal is to ensure that all customers pay a fair and equitable price for the services they receive. Mitigation will be put in place to limit the increase to an £8 increment each year. In order to mitigate the impact on existing tenants who will be financially affected by the increase to the service charge.
- **Legal** - Customers will continue to be secure tenants, their legal status will not be affected. The Council has a legal ability to increase the service charge in line with option 1 provided that appropriate consultation has been undertaken. Ongoing liaison with legal advice throughout the consultation will ensure that the consultation is conducted appropriately.
- **Crime and Disorder** - None
- **Information Technology (IT)** - None
- **Property** - None
- **Other** - None

Risk Management

8. There are risks associated with this proposal:
 - There is a risk of customer complaints as a result of the increase to the service charge and the financial impact this will have on them. This will be mitigated by allowing sufficient time to discuss and consult on the changes 1-1 with customers ahead of the increase in April 2018.
 - See finance section above.

Contact Details

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Tel No.

Report **Date** 14 June 2017
Approved

Specialist Implications Officer(s) List information for all

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Steve Tait

Wards Affected: Heworth

All

For further information please contact the author of the report

Background Papers:

All relevant background papers must be listed here. A 'background paper' is any document which, in the Chief Officer's opinion, discloses any facts on which the report is based and which has been relied on to a material extent in preparing the report (see page 5:3:2 of the Constitution).

Annexes

Annex 1: Benchmarking
Annex 2: Financial modelling

List of Abbreviations Used in this Report

PSS – Personal Support Service
IHM – Intensive Housing Management

Benchmarking

The total rent + service charge will be £208.37 for new apartments. For the existing apartments it will be broadly the same, with slight variations as the rent levels for existing properties all vary slightly in rent according to size.

There are few schemes local to York which describe themselves as extra care, and the precise service levels vary slightly so exact comparisons are not possible. However the level of rent plus service charge was benchmarked against:

Scheme	Type	Weekly rent + service charge
Regency Mews (Abbeyfield)	ExtraCare (studio)	£292
Beckfield Lane (Abbeyfield)	ExtraCare	£227
Auden House	2 bed flat ExtraCare (social rent)	£238 (£100 rent, £111 service charge, supporting people £17)
Hannover, Bradford	ExtraCare	£250 (including service charge)

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Annex 2

Financial modelling of additional Intensive Housing Management costs offset by increased service charge

all figures in £000

Year	Additional staffing costs	provision for voids and bad debt	total Additional Costs	income from tenants in new scheme	income from HB eligible tenants in existing scheme	income from self paying tenants in existing scheme	Total income	(Surplus)/deficit
2017/18	78	2	80	(42)	0	0	(42)	38
2018/19	190	13	203	(111)	(136)	(4)	(250)	(47)
2019/20	190	13	203	(111)	(140)	(7)	(257)	(54)
2020/21	190	13	204	(111)	(144)	(9)	(263)	(60)
2021/22	190	13	204	(111)	(148)	(10)	(269)	(65)
2022/23	190	14	204	(111)	(152)	(10)	(273)	(69)
2023/24	190	14	204	(111)	(156)	(10)	(277)	(73)
2024/25	190	14	204	(111)	(164)	(6)	(281)	(77)
2025/26	190	14	205	(111)	(168)	(3)	(283)	(78)
2026/27	190	14	205	(111)	(168)	(4)	(283)	(79)
2027/28	190	14	205	(111)	(173)	0	(283)	(79)

Assumptions:

Costs

Social Care staffing - additional 198 hours per week at £17.35/hr (Grade 5 plus on costs and provision for shift allowances, sickness etc)

Housing staffing - additional 14 hours per week at £17.35/hr

NB Housing and Social Care staff are already providing an element of Intensive Housing Management within their existing budgets. This models the additional costs arising from the decision to reprovide the service in this manner

5% of the anticipated extra income has been budgeted to provide for the cost of void properties and unpaid charges

Income

Tenants in the new extension will pay the full service charge immediately - this applies to 27 customers

Tenants in the existing building will not pay any additional charge in 1718.

Housing Benefit eligible tenants in the existing scheme will pay the full service charge from 1st April 2018 - there are 33 tenants currently

Self paying tenants in the existing scheme will have their service charge increased by £8 annually from 1st April 2018

- there are 9 such tenants currently

It is assumed that the number of self payers will reduce by one annually and those eligible for Housing benefit will increase by one annually when modelling the likely impact

Surplus / Deficit

The deficit in 2017/18 will be met from and has been modelled into the Older Person's Accommodation Programme financial model

The surplus generated thereafter will be used to offset the existing cost of Intensive Housing Management that Social Care staff already provide within their base staffing establishment.