

**Decision Session - Cabinet Member for
Health, Housing & Adult Social Services**

3 February 2014

Report of the Assistant Director – Housing & Community Safety

**Review of the Service Charges to Sheltered and Sheltered with Extra
Care Housing**

Summary

1. This report asks the Cabinet Member to consider proposals to amend the way the service charges to the sheltered and sheltered with extra care housing are calculated.

Background

2. The way the charge is calculated has not been reviewed for many years. There have been a number of significant changes in the interim that have an effect on these calculations and it is against this background that this review has taken place.
3. In April 2002 the government of the day introduced Supporting People funding, the intention being to separate housing support from housing management. The emphasis of the scheme managers at the time was very much on support rather than housing management. This was reflected in our organisation with the staff base being part of the adult care team.
4. During the last decade the street access sheltered schemes without communal facilities have been re designated in recognition that they were no longer seen by tenants as suitable alternatives to the supported housing that is purpose built such as sheltered schemes with all the facilities they offer.
5. In April 2012 the management of the 11 sheltered schemes transferred from Adult Services to Housing Services. As part of the restructure of the housing service the role of the scheme managers was reviewed and a greater emphasis has been placed on the

housing management of the schemes with staff taking on tasks such as letting homes, building management and other low level housing management tasks. There has been a re-evaluation of their job descriptions, in order to reflect the change in their role. These coincided with changes in the way care was delivered to the tenants in the sheltered housing schemes, as well as changes to the Fair Access to Care Services criteria. As part of this review staffing hours at the sheltered schemes were reduced to 24 hours a week.

6. Current staff tasks include:

- Viewings and signing ups new tenants;
- Building management (repairs etc);
- Health and safety – fire alarm tests, legionella etc;
- Equipment checks;
- Addressing tenancy issues (minor anti-social behaviour etc);
- Daily ring round (support);
- Reviewing service plans (support);

7. The role of the Scheme Manager now involves spending approximately 20% of their time on support activities, such as daily checks and updating service plans, and 80% on housing management activities, such as supporting the tenancy management and looking after the safety of the building.

8. It is therefore proposed to realign the service charge to reflect the work that they now do giving a more accurate reflection of their. For those who are eligible for assistance Housing Benefit would cover those activities which are classed as housing management.

9. The Warden Call service is a support function, it provides assurance/insurance which enables people to continue to live independently and safely for longer. The funding which is available for support (the original Supporting People funding) could be appropriately used to cover the cost of Warden Call services, and the element of the Scheme Managers' time which is spent on support.

10. In July 2013 the charges for the Warden Call service were reviewed, as they had not kept pace with the actual cost of the running the service.

11. Warden Call is provided in all the 11 Council schemes as part of the Sheltered Housing offer. This provides a telephone response when

the person activates their pendant or they pull their cord. If they require assistance then wardens will visit them. This service can also offer additional provision including smoke detector; carbon monoxide detector and bogus call detector if required. This means that an emergency response is available to residents 24 hours a day.

12. Following a detailed analysis of the costs associated with providing the service to CYC Sheltered Housing / Extra Care tenants it is proposed to increase the charges to bring them in to line with all other tenures and reflect a full recovery charging model. This would see charges increase to £4.72 for a single occupant, with an additional £3 charge for a second occupant. The charge for the councils Sheltered Housing / Extra Care tenants is lower than non-council customers, this lower charge reflects that the service provided is different given that the council has on site staffing for part of the week, the costs of equipment is also lower than in other tenure types because of the hardwired nature of the equipment.
13. It is also proposed to introduce a charge for lost pendants. It costs £70 to replace and previously these have been replaced at no charge. Warden call now charge of 50% of the cost of a replacement pendant and it is proposed to pass this charge onto tenants where they have lost their pendants.
14. The ring fence on Supporting People funding was removed in 2013, and the funding that was previously allocated to Sheltered Housing from the Supporting People team has now been moved across into the Housing budget. It is therefore appropriate to consider how this funding can be most effectively used to support vulnerable customers.

Consultation

15. Extensive consultation on changes in the warden call charging policy were undertaken by the warden call service as part of their charging review. Details of this are available if required.
16. Consultation with customers about the changes in the structure of management and structure of the Sheltered Housing service has been undertaken as changes have been made.
17. There has been internal consultation with the Warden Call Service, Adult social Care, Housing Benefit and Finance who support this approach.

Options

18. Option 1 – To continue to calculate the service charge to customers in the same way, and to pass on the full cost of the increase in the charge to Sheltered Housing tenants from 1st April 2014.
19. Option 2 - To continue to calculate the service charge to customers in the same way and to cover the cost of the increase in Warden Call charges through the HRA, and not pass it on to Sheltered Housing tenants
20. Option 3 – To re-structure the service charge so that it fully reflects the changes in the service that is provided. To apply the funding which used to be ‘Supporting People’ to the support component of all tenants’ service charge. To pass on the full cost of the service to customers.

Analysis

21. Option 1 - This would enable the Council to recoup the full cost of the increase immediately. The increase to tenants would be £3.92 per property plus an additional £3.00 if a second person in the property wished to register.
22. Usually the increase in rent or service charge is capped at RPI plus 0.5% plus £2 per week. However the Council could pass on the full cost of the increase to Warden Call charges plus inflation in April 2014, and review the increase required again in subsequent years.
23. This would ensure that there is no added financial burden on the HRA (Housing Revenue Account), so other tenants, not in receipt of the service would not have to subsidise the cost of the increase in Warden Call charges for Sheltered Housing Tenants. However this could result in financial hardship for vulnerable elderly tenants. Tenants in receipt of housing benefit would see a corresponding increase in their HB.
24. Option 2 – This could prevent tenants from experiencing financial hardship as a result of the increase in charges.

25. However the cost would have to be met through the HRA, which would mean that other Council tenants would be subsidising the increase in charges on behalf of Sheltered Housing tenants. This would be an inequitable approach to tenants, as Council tenants in general needs tenancies are responsible for paying the charge themselves.
26. Option 3 – This option would give an accurate reflection of the role of the Scheme Manager, and the Sheltered Housing Service, therefore it would be a more accountable and transparent way of calculating the service charge.
27. The financial hardship to customers would be minimised, as there would be no financial implication for those customers who are in receipt of full Housing Benefit. The impact on customers who are not in receipt of Housing Benefit would be a maximum of £2.88 per week.
28. This would ensure that there is no added financial burden on the HRA (Housing Revenue Account), so other tenants, not in receipt of the service would not have to subsidise the cost of the increase in Warden Call charges for Sheltered Housing Tenants.

Council Plan

29. The implications directly arising from this report on the corporate priorities are:
 - **Protecting Vulnerable People:** The sheltered housing schemes provide supported housing to older people who require it. In reviewing the service charge consideration has been given to the vulnerability of the tenants.

Implications

30. The Implications arising directly from this report are:
 - (a) **Financial** – Option 1 and option 3 would have no financial impact on the management of the HRA although with option 1 there will be a financial impact for all tenants. Option 3 would affect those who don't receive housing benefit however the increase would be lower than the charge in option 1. Option 2 would place an additional financial burden upon the HRA as a result of not recovering the full costs of the service provided.

- (b) **Human Resources (HR)** - There are no HR implications in this report
- (c) **Equalities** - Passing on the real cost of the service to Sheltered Housing tenants means that they are being treated the same as tenants in other tenure types.
- (d) **Legal** - None
- (e) **Crime and Disorder** - None
- (f) **Information Technology (IT)** - None
- (g) **Property** - None
- (h) **Other**- None

Risk Management

- 31. There are no risks associated with the amendment to the way the service charge is calculated

Recommendations

- 32. The Cabinet Member is asked to:
 - i. approve Option 3 to re-structure the service charge in order to accurately reflect the service provided.
 - ii. approve charging cohabitants £3 per week where both parties are in receipt of the service. This charge will be made directly by the Warden Call Service.

Reason – To ensure an equitable approach to service delivery regardless of tenure and that the service moves to a full cost recovery model to minimise the impact of the HRA. To ensure that the service charge is an accurate representation of the service provided.

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report:**

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Report ✓ **Date** *12 Jan 14*
Approved

Wards Affected: *List wards or tick box to indicate all* **All** *tick*

Heworth
Clifton
Dringhouses
Westfield
Derwent
Micklegate
Fulford

Specialist Implications Officer

Implication: Financial

Jane Close, Housing Accountant, Tel 01904 55 4175

For further information please contact the author of the report

Background Papers:

Report to Cabinet Member for Health Housing and Adult Social Services –
18 July 2013

Abbreviations

HRA Housing Revenue Account
RPI Retail Price Index