

**Decision Session: Executive Leader  
(incorporating Housing and Safer  
Neighbourhoods)**

**23 January 2017**

Report of the Assistant Director - Housing and Community Safety

**Sheltered housing: Be Independent charges**

**Summary**

1. This briefing report provides an update on the background and current situation with regard to the subsidy provided to Council sheltered housing tenants for the Be Independent service.
2. The report also seeks approval to end the current blanket subsidy and instead offer a means tested subsidy to tenants in Council Sheltered Housing in order to achieve a more equitable position.

**Recommendation**

3. The Executive Leader (incorporating Housing and Safer Neighbourhoods) is asked to approve the proposal that the charge for using the Be Independent service in sheltered housing schemes should be passed on to customers to pay.
4. This is in line with general needs council housing and other (non-CYC) sheltered housing properties. Customers on a low income will receive financial support to cover the cost of this service in line with customers in other tenure types.
5. Reason: this will create an equitable position where all customers receive a subsidy based on an assessment of means, rather than some customers receiving a subsidy as a result of the type of housing they live in.

**Background**

6. There are 11 sheltered housing and extra care schemes, representing a total of 365 tenancies. Prior to 2012 these schemes sat in the same department as the alarm response service, and no

- charge was made either internally or to customers for the service. Customers living in other tenancy types did pay for the service.
7. In April 2014 the alarm response service was spun out as a social enterprise, Be Independent. At this time it was agreed that a charge would be made for the service provided to customers in sheltered housing. This is a reduced cost of £4.30 in sheltered housing and £3.90 in extra care housing, as compared to £7.00 in a general needs property. This reflects the fact that the on site staffing means that the service is not required during staffed hours, and the equipment is owned and maintained by the council rather than Be Independent. The service charges £40 per hour for call outs within the staffed hours (for example if specialist lifting equipment is required).
  8. At the time this cost was picked up by the general fund, this equates to an annual cost of £69,690.40 (excluding call outs).<sup>1</sup> Customers pay an additional cost for a second tenant using the service, or for additional telecare services. No charge is paid for Glen Lodge (42 tenancies) unless a call out is required, as care staff are on site to respond 24 hours a day.
  9. The majority of tenants are eligible for full or partial housing benefit, therefore they would qualify for support with the cost of the Be Independent service which would continue to be paid direct to Be Independent by the housing department.
  10. External sheltered housing providers currently charge customers for the provision of Be Independent or other alarm service as part of the housing offer. The housing providers make the charge directly to tenants through their own systems, based on financial assessment. Sheltered housing is outside the scope of the service that City of York Council commissions from Be Independent, and so is not covered by this contract.
  11. The financial eligibility through CTB (Council Tax Band) and Pension credit was introduced primarily for those customers who are home owners, and do not receive housing benefit. This would not be an issue in sheltered housing, and commissioning team have confirmed that they would be comfortable with an approach which assessed customers on the basis of their housing benefit
-

eligibility as described above. Customers on a low income but not in receipt of housing benefit could be invited to apply on a case by case basis for support, and this would be assessed on need.

12. The charge would be mandatory on the basis that all the properties have a hardwired connection to Be Independent, and all tenants have access to this service. Customers' access sheltered housing due to needs or vulnerabilities identified at application, and therefore will have a need for the support this service can provide.

## **Consultation**

13. Consultation has not been undertaken with tenants, pending approval for this approach. Once approval has been secured consultation will be undertaken with all tenants including 1-1's with the tenants affected, in order to discuss their financial circumstances, and identify any impact or concerns. Where appropriate this consultation will include family or other support. If a customer can demonstrate that this move will cause them financial hardship then consideration will be given to continuing financial support, e.g. if they are within 10% of the financial limits for housing benefit they will continue to receive funding.
14. Consultation has been undertaken with the adult social care commissioning team. They are in support of this direction, which is consistent with external providers and is more equitable in terms of treating customers the same regardless of the tenancy they live in.
15. Consultation has been undertaken with Be Independent. This will not affect their income and therefore has minimal impact on their service provision.

## **Options**

16. **Option 1**

To provide a subsidy for Be Independent to customers in sheltered housing based on financial assessment, in order to create an equitable position with regard to customers living in other types of accommodation. Customers will be asked to pay the charge if they are not eligible for subsidy, with the charge to be administered by City of York Council housing services.

## 17. Option 2

- To continue to subsidise the cost of the Be Independent service for customers in sheltered housing regardless of their income or savings.

### **Analysis**

18. Continuing to cover the costs of Be Independent on behalf of tenants in sheltered housing represents an inequitable situation, as customers in all other tenure types are expected to pay for the service depending on their financial situation. These charges are made either directly by Be Independent or through a service charge levied by the landlord, however we are not aware of any other housing type where this service is provided for free to tenants irrespective of their financial situation.
19. The customers who are over the financial threshold may be concerned by this proposal, as it will represent an additional service charge which they would be expected to pay each week. The charge would be either £3.90 in Marjorie Waite Court or £4.30 in other sheltered housing (the difference in staffing hours). Customers will be consulted including 1-1 consultations with the individuals concerned. The consultation will review any concerns, identify whether this will cause financial hardship for individuals and seek solutions in any cases where this is a risk. In the case of financial hardship consideration will be given to continuing the financial support, e.g. if they are within 10% of the eligibility for housing benefit, as well as bespoke advice and support through the money and employment advisers.
20. The housing service runs monthly reports which report on the tenants in sheltered housing in receipt of housing benefit. This report could be used in order to raise a charge to customers through creditors team, this could be raised monthly/quarterly or annually depending on customer need. The creditors team would take action as required in relation to debt etc.
21. A spot check at November 2016 identified 71 customers who are not eligible for support through housing benefit (excluding customers at Glen Lodge). The potential saving to the general fund

is therefore in the region of £15k per year, this would enable the department to continue to fund 50% of the Older Persons Housing Specialist post.

22. Tenants in sheltered housing cannot 'opt out' of Be Independent service, as the schemes are hard-wired, and this is part of the accommodation offer. Therefore tenants also cannot be charged directly by Be Independent and receive subsidy under the service the council commissions from Be Independent, as this excludes hard-wired schemes. A sheltered scheme would only qualify if the equipment was not hard wired and customers individually chose to access the Be Independent service.
23. If option 2 is chosen the council will continue to pay over £15k per year to subsidise a small group of tenants who have been assessed as having the means to fund their own services. Whilst this will avoid the potential for negative publicity or tenant complaints it would also perpetuate an inequitable situation where customers in council sheltered housing are funded differently from customers in other tenure types.

### **Council Plan**

24. This proposal will fit with the council plan in focussing on frontline services. By ensuring that services are funded equitably across all tenure types this will ensure that resources are used to best effect, and are targeted at those who need them.

### **Implications**

- **Financial**
25. The Council has the potential to reduce the subsidy for the Be Independent service by around £15k per year, dependant on the financial eligibility of the tenants living in sheltered housing. There would be some additional administrative requirements, however these could be absorbed into the existing administrative work relating to rents and creditors and would not require post creation, so there would be no other financial impacts.
  26. Reduction of this subsidy will allow the housing department to continue to fund 50% of the older persons housing specialist role.

This role contributes significantly to the wider goals of the housing, in helping prevent, reduce and delay the need for health and social care intervention by ensuring older people have access to the right housing options at the right time.

- **Human Resources (HR)**

27. There are no Human Resources implications.

- **Equalities**

28. There are no equalities issues. An equality impact assessment will be made available.

- **Legal**

29. There are no legal issues.

- **Crime and Disorder**

30. There are no crime and disorder implications.

- **Information Technology (IT)**

31. There are no IT implications

- **Property**

32. There are no property implications.

- **Other**

33. **Risk Management**

There is a risk of customer complaints or adverse publicity if the consultation is not managed sensitively, therefore this will be key.

There is a risk that customers who are charged for the service may get into arrears with their payments. This would need to be managed by frontline housing officers and the creditors team. New customers would be made aware of the mandatory charge before moving into sheltered accommodation which would reduce the risk of non-payment.

## Contact Details

### Author:

Louise Waltham  
Supported Housing  
Manager  
Ext. 1680

### Chief Officer Responsible for the report:

Tom Brittain  
AD Housing & Community Safety  
Ext. 4016

Report  
Approved



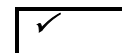
Date 12.12.16

### Specialist Implications Officer(s)

Isobel Jones  
Accountant  
Tel No. 01904 551779

Wards Affected:

All



For further information please contact the author of the report

### Background Papers

None

### Annexes

None