

CANNOCK CHASE COUNCIL

CABINET

18 OCTOBER 2012

REPORT OF THE HEAD OF HOUSING

RESPONSIBLE PORTFOLIO LEADERS: HOUSING AND HEALTH AND WELLBEING

SUPPORTING PEOPLE CONTRACTS

KEY DECISION – YES

1. Purpose of Report

- 1.1 To advise Cabinet of the future position with regard to the Council's Supporting People Contracts with Staffordshire County Council.
- 1.2 To seek confirmation of action regarding entering into extended contracts with Staffordshire County Council to provide sheltered housing support services to 31 March 2013 and fixed and dispersed community alarm services until 31 July 2013.
- 1.3 To seek authorisation to enter into a new "fixed subsidy" contract with Staffordshire County Council to provide sheltered housing support services from 1 April 2013.

2. Recommendations

- 2.1 That the action taken by the Head of Housing following consultation with the Housing Portfolio Leader regarding entering into an extended contract with Staffordshire County Council to provide sheltered housing support services to 31 March 2013 is confirmed.
- 2.2 That the action taken by the Head of Housing following consultation with the Health and Wellbeing Portfolio Leader regarding entering into extended contracts with Staffordshire County Council to provide fixed and dispersed community alarm services until 31 July 2013 is confirmed.
- 2.3 That the Head of Housing is authorised to enter into a new "fixed subsidy" contract with Staffordshire County Council to provide sheltered housing support services from 1 April 2013.
- 2.4 That Cabinet receive a further report regarding the County Council's proposals for the future provision of fixed and dispersed community alarm services.

3. Summary (inc. brief overview of relevant background history)

- 3.1 The Council have three contracts with Staffordshire County Council to deliver supported housing services in respect of sheltered housing and fixed and dispersed community alarms.
- 3.2 The two contracts for fixed and dispersed community alarms are based on a "fixed annual subsidy", whilst the sheltered housing contract is based on "variable block subsidy". In both cases, this results in the County Council meeting the support charge for tenants (through

contract payments to the Council) who receive Housing Benefit or meet their "fairer charging criteria". Tenants who do not meet either of these requirements pay their own support charge.

3.3 Details of the three contracts are set out below:-

<u>Contract</u>	<u>Expiry Date</u>	<u>Type of Contract</u>	<u>Maximum Contract Value</u>	<u>2011-12 Contract Payments</u>
Sheltered Housing	Expired 30 September 2012	Variable Block Subsidy	£126,886 (per annum)	£96,000
Fixed Alarms	Expired 31 July 2012	Fixed Subsidy	£192,999 (per annum)	£192,999
Dispersed Alarms	Expired 31 July 2012	Fixed Subsidy	£20,070 (per annum)	£20,070

3.4 Whilst the contracts were initially funded through the National Supporting People Programme, supporting people monies now form part of the County Council's Revenue Support Grant. As a consequence, the contracts have from 1 April 2011 been directly funded by the County Council.

3.5 As a result of this change to the funding regime the future position with regard to the three contracts has (and in the case of fixed and dispersed alarms) still is uncertain. Cabinet on 3 February 2011 were informed (as part of the 2011-12 Housing Revenue Account Budget Report) that the County Council were reviewing all their Supporting People Contracts and that it was considered that the amount of funding to the Council and other "support providers" would be reduced.

3.6 Cabinet on 15 December 2011 were subsequently updated on progress in respect of the County Council's contract reviews and were advised that:-

- (a) The County Council had extended the sheltered housing support services contract (which had expired on 30 September 2011) for a 12 month period but at a reduced rate of funding (a £7,390 reduction) for the first 6 months of 2012-13.

It was reported that this extension had been granted in order that the County Council could, following an options appraisal, "develop a longer term commissioning plan and procurement strategy for accommodation based services ... to secure the long term sustainability of the accommodation based supported housing market and high quality outcome based services".

Whilst the precise meaning of this statement was unclear it was considered that it could result in the Council having to submit a successful tender in order to continue to provide sheltered housing support services.

- (b) The future funding of communal alarm services was to be the subject of a fundamental review by the County Council and that it was expected that any future funding would be based on a household's need for an alarm service rather than being provided in respect of all properties which have an alarm facility. It was reported that such a change would significantly reduce the amount of funding received by the Council but

was unlikely to impact in 2012-13 as the fundamental review had not progressed beyond its early stages.

- 3.7 The County Council have now advised the Council that they are prepared to award the Council a new "fixed subsidy" contract to provide sheltered housing support services with effect from 1 April 2013. As the existing sheltered housing support services contract expired on 30 September 2012, the County Council have also extended the existing "variable block subsidy" contract until 31 March 2013.
- 3.8 This report outlines the terms of the new sheltered housing support services contract and provides an update on the County Council's intentions regarding the future funding of communal alarm services.

4. Key Issues and Implications

- 4.1 The County Council have recognised the problems with tendering sheltered housing support services. As a result, they have amended their procurement regulations to enable contracts to be renewed for services inherited from the former Supporting People Programme, subject to a value for money test.
- 4.2 The sheltered housing support service meets the value for money test as a result of the "Contract Compliance Assessments" which are undertaken by the County Council on the service provided by the Council every two years. The County Council will therefore award the Council a new sheltered housing support contract (with effect from 1 April 2013) for an initial contract term of two years with options to extend for two further years.
- 4.3 The principle terms of the new contract are set out below:-
- (a) The contract will be based on a "fixed annual subsidy" calculated as the average of the last 6 years levels of subsidy.
 - (b) The fixed annual subsidy will be revised if the number of qualifying tenants varies by more than 10%.
 - (c) The Council will be required to deliver the service at no charge to tenants who receive Housing Benefit and implement a support charge to other tenants.
 - (d) Fairer charging arrangements will cease with transitional protection for tenants who currently qualify for subsidy under these arrangements.
- 4.4 The provision of a "fixed annual subsidy" (as opposed to the "variable block subsidy" which operates for the previous contract) will reduce administration and increase financial certainty for both the Council and the County Council. Details of the calculation are attached as Annex 1 and will result in the Council receiving £87,088 per annum.
- 4.5 Whilst this amount is almost £9,000 less than the £96,000 which was claimed under the current contract during 2011-12, the amount of subsidy varies each year, in accordance with the sheltered schemes' unit price (as set out in Annex 1) and the annual number of qualifying tenants. As a result, the agreed three year Housing Revenue Account Budget for the period 2012-13 to 2014-15 assumes supporting people grant income of £90,000 per annum for sheltered scheme support services. Although there is again a deficit (£3,000) between this

estimate and the fixed annual subsidy, this will be addressed as part of the forthcoming review of the HRA Business Plan and the budget process for 2013-14 and future years.

- 4.6 As the new contract will not come into effect until 1 April 2013, the County Council have extended the current sheltered housing support services contract until 31 March 2013.
- 4.7 The County Council have also provided an update on their future proposals regarding the Council's contracts for the provision of fixed and dispersed community alarm services. Whilst the County Council had originally intended to "invite tenders for a new revised contract earlier this year", the Council has now been advised that "it is only now that the County Council's Older People and Prevention Team are about to begin the consultation period to inform and support the redesign of what we will commission so that a new service can then be procured".
- 4.8 As a result of this delay, the County Council have extended the Council's current fixed and dispersed community alarm contracts "in the first instance" until 31 July 2013 and have stated that "next year when we have a clearer idea of our timescales, we will be able to inform you further".
- 4.9 The County Council have subsequently requested information about the current users of community alarm services. This information will be used to "seek feedback from current users of services" as part of the proposed consultation exercise, which also cover "the wider population and key agencies".
- 4.10 The Health and Wellbeing Policy Development Committee on 8 October 2012 were informed of the current position regarding the Council's fixed and dispersed community alarm contracts. The Policy Development Committee and Cabinet will be informed of the County Council's consultation exercise in respect of their proposals for the future provision of community alarm services.

5. Conclusion(s) and Reason(s) for the Recommendation(s)

- 5.1 This report considers the proposed award of a new contract by Staffordshire County Council in order that the Council can continue to provide sheltered housing support services directly.
- 5.2 The new "fixed subsidy" contract will be for an initial contract term of two years with options to extend for a further two years. Authorisation is therefore sought to enter into this contract with Staffordshire County Council.
- 5.3 The new contract will come into effect on 1 April 2013. As the current contract expired on 30 September 2012, the County Council have extended this until 31 March 2013. Following consultation with the Housing Portfolio Leader, the Head of Housing entered into this contract extension on behalf of the Council and confirmation of this action is requested.
- 5.4 The County Council's future proposals for the fixed and dispersed communal alarm contracts remain uncertain as there has been a considerable delay in the County Council's planned service review. As a result the County Council have extended the current contracts until 31 July 2013. Following consultation with the Health and Wellbeing Portfolio Leader, the Head of Housing entered into this contract extension on behalf of the Council and confirmation of this action is requested.

5.5 A further report will be submitted to Cabinet when the County Council's proposals for the future of community alarm services are known.

6. Other Options Considered

6.1 There are no other options in relation to this report.

7. Report Author Details

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SCHEDULE OF ADDITIONAL INFORMATION

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Section 1

Contribution to Council Priorities

The provision of supported housing services to the Council's Sheltered Housing scheme tenants contributes towards the service aim of "Supporting Vulnerable People to live in their own homes" which forms part of the agreed 2012-13 "People" Priority Delivery Plan.

Section 2

Contribution to Promoting Community Engagement

The tenants of the Council's sheltered housing schemes will be informed of the new contract awarded to the Council for the continued provision of supported housing services.

Section 3

Financial Implications

Whilst £96,000 was claimed under the current variable block subsidy sheltered housing scheme support contract in 2011-12, the amount of subsidy varies each year in accordance with the unit price for each sheltered housing scheme and the annual number of qualifying tenants.

As a result, the agreed three year Housing Revenue Account Budget for the period 2012-13 to 2014-15 assumes supporting people grant income of £90,000 per annum for sheltered housing scheme support services.

The new contract would provide an annual fixed subsidy of £87,088 per annum which is approximately £3,000 less than the budget estimate. This deficit will be addressed as part of the forthcoming review of the HRA Business Plan and the budget process for 2013-14 and future years.

Staffordshire County Council are planning a service review of the fixed and dispersed alarm contracts and consultation proposals are awaited. Further financial implications are likely to result from this review. The current contracts have been extended until July 2013.

Section 4

Legal Implications

The Council will be required to meet the terms of the new sheltered housing support service contract with Staffordshire County Council.

Section 5

Human Resource Implications

There are no identified human resource implications arising from this report.

Section 6

Section 17 (Crime Prevention) Implications

There are no identified Section 17 (Crime Prevention) implications arising from this report.

Section 7

Human Rights Act Implications

There are no identified implications in respect of the Human Rights Act arising from this report.

Section 8

Data Protection Act Implications

There are no identified implications in respect of the Data Protection Act arising from this report.

Section 9

Risk Management Implications

The uncertainties regarding the Council's current supporting people contracts form part of the risk analysis appended to the revised HRA Business Plan agreed by Council on 4 July 2012. The award of the new contract for sheltered housing support services will enable this risk to be reassessed as part of the forthcoming HRA Business Plan review.

Section 10

Equality and Diversity Implications

The subject of this report concerns the contract arrangements for the provision of supported housing services and as such does not require a full Equality Impact Assessment to be completed. However, should potential changes be made to the actual provision of sheltered housing support services or community alarm services then a full EqIA will be completed to assess any potential positive, neutral or negative impacts on individuals in the District with regard to the nine protected characteristics identified in the Equality Act 2010.

Section 11

List of Background Papers

Staffordshire County Council	Contracts for Sheltered Housing Services (letter 12 July 2012)
Staffordshire County Council	Provision of Cannock Chase Community Alarm (Hand-wired) Service (letter 30 July 2012)
Staffordshire County Council	Provision of Cannock Chase Community Alarms – Optional Service (letter 30 July 2012)
Staffordshire County Council	Telecare and Community Alarm Contracts (letter 31 July 2012)

Section 12

Report History

Supporting People – Replacement Contracts	Cabinet	22 February 2007
Housing Revenue Account Budget 2011-12	Cabinet	3 February 2011
Sheltered Housing – Supporting People Contract Extension	Cabinet	15 December 2011
Housing Revenue Account Budgets 2012-13 to 2014-15	Cabinet	2 February 2012
Housing Revenue Account Business Plan	Council	4 July 2012

Annexes

Annex 1: Sheltered Housing Support Services Contract – Fixed Subsidy Calculation

SHELTERED HOUSING SUPPORT SERVICES CONTRACT – FIXED SUBSIDY CALCULATION

<u>Scheme</u>	<u>No. of Units</u>	<u>Weekly Unit Price</u>	<u>Average Subsidy Payments as % of Units</u>	<u>New Annual Contract Value</u>
Caxton Court	29	£18.43	90.80%	£25,306.15
Grace Moore Court	20	£21.37	65.83%	£14,671.52
Highfields	30	£17.93	30.56%	£8,570.11
Longford Court	18	£23.35	74.07%	£16,233.81
St. Barbara House	23	£22.32	83.33%	£22,306.71
	<u>120</u>			<u>£87,088.30</u>