

<b>Report of:</b>	<b>Corporate Director</b>
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<b>Portfolio Leader:</b>	<b>Health and Wellbeing &amp; Housing</b>
<b>Key Decision:</b>	<b>Yes</b>
<b>Report Track:</b>	<b>Cabinet: 17/07/14</b>

**CABINET**  
**17 JULY 2014**  
**REMOVAL OF SUPPORTING PEOPLE GRANTS**  
**BY STAFFORDSHIRE COUNTY COUNCIL**

**1 Purpose of Report**

- 1.1 To consider issues regarding the removal of Supporting People grants by Staffordshire County Council in this and future financial years.

**2 Recommendations**

- 2.1 That Cabinet notes the decision by Staffordshire County Council to remove £300,000 Supporting People grant funding from Cannock Chase Council for Social Alarms and Sheltered Housing support services as a result of the implementation of their Medium Term Financial Plan.
- 2.2 That Cabinet expresses its concern formally about the absence of any public consultation by Staffordshire County Council with tenants / clients who may be affected by the withdrawal or reduction of these grants.
- 2.3 That Cabinet approve the introduction of a service charge for all Council sheltered housing tenants from 1 April 2015 as an alternative way of funding the existing level of support services when the Supporting People grant is removed from 1 April 2015.
- 2.4 That Cabinet determine which of the three options for Social Alarms is preferred when the Supporting People grant is removed from 1 October 2014:.
- 2.5 If Option One is preferred, Cabinet are asked to delegate authority to the Corporate Director to implement this to include securing a suitable alternative for the Council's out of hours call handling arrangements.
- 2.6 If Option Two or Option Three is preferred, Cabinet are asked to recommend to Council to:

- (a) Approve bridging funding of £107,000 to maintain the service from 1 October 2014 to 31 March 2015 funded from HRA Revenue Account working balances.
- (b) Approve the criteria set out in Appendix 1 and the associated funding requirement of up to £117,234 for the provision of a free social alarm service for up to 1,350 vulnerable Council tenants from 1 April 2015.
- (c) Approve the programme to replace existing hard wired alarm systems with dispersed alarms funded from the HRA capital allocation of £120,000 brought forward from 2015/16 financial year into the current financial year.
- 2.7 Subject to these Council decisions, Cabinet is then asked to:
- (d) Approve Permission to Spend for the scheme above.
- (e) Approve an increase in the charges levied for out of hours call handling and lone worker arrangements for other organisations.
- (f) Approve the selection of a partner via a tender for the provision of the social alarms and out of hours service from 2015/16 financial year.
- (g) delegate authority to the Corporate Director to take such actions as may be necessary to implement the agreed option.
- 2.8 If Option Three is preferred, to approve the introduction of a monitoring charge of £1.67p per week for all Council tenants who meet the criteria in Appendix 1 for the provision of free social alarm equipment.

### **3 Key Issues and Reasons for Recommendation**

- 3.1 Staffordshire County Council has funded a range of services for vulnerable individuals across Staffordshire. The Council has three contracts with Staffordshire County Council to deliver supported housing services in respect of sheltered housing (c£90,000) and community alarms (c£214,000) as well as a contract to accept tele-care referrals handled by the social alarms service. There are a range of other voluntary sector providers in Cannock Chase who are funded in similar way for providing mental health services, domestic violence and elderly support.
- 3.2 In December 2013, Staffordshire County Council approved their Medium Term Financial Plan which included a reduction in the Supporting People budget of £11m by £4m in 2014/15 and a further £2m in 2015/16. The County Council no longer receives a ring fenced grant for Supporting People – instead, it is included in the overall revenue allocation it receives from central government.
- 3.3 The County Council has conducted a review of the services funded by what were known as Supporting People grants and have come to a number of conclusions about services which will result in the withdrawal or reduction of existing levels of funding. The County Council has confirmed that they do not intend to conduct any public consultation on these issues.

- 3.4 These recommendations are in response to confirmation by Staffordshire County Council that 100% of the grant funding for social alarms will be removed as at 30 September 2014 (£214,000 p.a.) and 100% of the grant funding for sheltered housing support (£90,000 p.a.) will be removed by 31 March 2015. Other service providers in Cannock Chase affected by these County Council decisions are also identified.

#### **4 Relationship to Corporate Priorities**

- 4.1 This report supports the Council's Corporate Priorities as follows:

The Council provides a free social alarms service to over 2,000 Council housing tenants, many of whom are vulnerable adults living alone. The Council provides a range of support for tenants living in the 120 sheltered housing units. Both of these services are aimed at supporting individuals to live independently in the community and contribute to healthy living.

#### **5 Report Detail**

- 5.1 The Council receives c£300,000 per annum grant from Staffordshire County Council which funds a range of support services to tenants in the 120 sheltered housing units including an on-site scheme manager in each of the five facilities plus funds 55% of the entire cost of the social alarms service. The existing contract for both services runs to 31 March 2015.
- 5.2 The Council provides a free service to over 2,000 Council tenants via hardwired systems in bungalows plus some dispersed alarms. It also provides an alarms service to the sheltered housing locations and to approximately 774 clients who pay for the service direct. Social alarms staff also handles out of hours calls for Cannock Chase Council, Stafford Borough Council, Lichfield District Council and Newcastle Under Lyme Borough Council as well as lone working arrangements. It provides a 24 hour 365 day service responding to calls from tenants and members of the public.
- 5.3 In December 2013, Staffordshire County Council approved their Medium Term Financial Plan which included a reduction in the Supporting People budget of £11m by £4m in 2014/15 and a further £2m in 2015/16. The County Council no longer receives a ring fenced grant for Supporting People – instead, it is included in the overall revenue allocation it receives from central government. A review of the existing services has been conducted which has included meetings with service providers.
- 5.4 Two workshops, a meeting and extensive correspondence has taken place between this Council and Staffordshire County Council on these matters. This Council has offered an alternative option to continue funding sheltered housing support services via the introduction of a service charge from 1 April 2015. This Council has offered to work with the County Council to change the basis of the

social alarms service from one based on properties to one based on individual needs which would produce financial savings whilst protecting vulnerable individuals who do not have the ability to pay for the service.

- 5.5 Apart from the actual level of grant reductions to be made, this Council has also expressed concerns about the lack of any planned public consultation on proposals to reduce grant funding by over 50% on average for a range of services to vulnerable groups. This Council has written to the County Council stating that it understands that there is a common law duty to consult. The County Council believe there is little value in undertaking a public consultation as it is not possible to consider any other options other than those that have been proposed. To date, no public consultation activity has been undertaken on these grant reductions.
- 5.6 The individual decisions about what services will be subject to grant withdrawal or reduction have been taken by Councillor Alan White, Cabinet Member for Care. In two letters dated 30<sup>th</sup> June, Staffordshire County Council confirmed that decisions to remove 100% of the grant funding for social alarms from 30 September 2014 and terminate this contract six months early plus remove 100% of the grant funding for sheltered housing support will be removed by 31 March 2015 (TBC).
- 5.7 In a separate letter to the Leader of the Council dated 27 June, Councillor Alan White also confirms that the following organisations providing services in Cannock Chase District are also subject to a reduction or removal of grant funding:
- Accord Housing (community alarms)
  - Anchor Trust (sheltered housing)
  - Alzheimer's Society (providing floating support for dementia)
  - Aspire Housing (sheltered housing)
  - Bromford Housing Association (floating support for a range of groups and sheltered housing)
  - Heantun Housing Association (floating support for offenders)
  - Housing 21 (sheltered housing)
  - Midland Heart Ltd (community alarms and sheltered housing)
  - Rethink (mental health support)
  - Staffordshire Buddies (floating support for HIV / Aids)
  - Staffordshire Women's Aid (providing floating support for domestic abuse)
  - YMCA Wolverhampton (supported housing)

- 5.8 In relation to the impact of these decisions about the services provided directly by Cannock Chase Council, officers have been working on options and solutions for decision by the Cabinet.
- 5.9 The removal of 100% of the grant for sheltered housing support from Ccan be addressed by the introduction of a service charge from 1 April 2015. This service charge would be met in full for tenants who already receive 100% support from Housing Benefit. This charge would have little effect on private fee paying tenants in sheltered housing but the charge will have some effect on those tenants who receive partial support from the Housing benefit system as they would need to meet a percentage of the charge. Subject to approval, consultation will take place with both staff and tenants who would be affected by the introduction of a service charge. The benefit is that the existing level of support to all tenants would continue as now when the grant from the County Council ceases.
- 5.10 There is no facility to charge social alarms services to Housing Benefits. In the short term, there is a need to replace the grant funding removed by Staffordshire County Council at 30 September 2014 with funding from the HRA revenue account until such time as one of the three options below are implemented. The cost of this short term funding to maintain the existing service to 31 March 2015 is £107,000 and could be sourced from the reported HRA revenue surplus reported in 2014/15.

5.11 *Option 1 – Cease providing a social alarms service:*

There is no statutory duty on Cannock Chase Council that requires it to provide or commission a social alarms service. With the removal of over half the current level of funding, the service is not viable to continue. There is no option but to provide the service on a 24 hour basis which has a direct impact on costs. In this option, subject to fulfilling the statutory requirements as an employer, the Council would cease to provide the service and staff posts would be made redundant. The human resources implications are set out in the report. An alternative would need to be secured to handle the Councils out of hours phone calls, lone working monitoring and social alarms monitoring in the Council's five sheltered housing schemes. Contracts with other authorities for out of hours would be terminated. The private clients would be transferred to another provider. A letter would be sent to the 2,000 tenants currently receiving a free service advising them of the removal of the entire grant by Staffordshire County Council and including details of other service providers and their charges if the tenant wished to continue the service. The main disadvantage to this option is that there are vulnerable tenants who may not have the ability to pay directly for this service.

5.12 *Option 2 – Continue to provide a free service but at a reduced cost:*

This option means that the District Council would continue to provide a free service to individual tenants based on a set of agreed criteria and that the service would need to be delivered at a lower cost than now. This would protect vulnerable tenants who do not have the ability to pay for a service. There are a number of decisions that are required if option 2 is chosen:

(a) In the short term, bridging funds will be required to continue the service from 1 October 2014 to 31 March 2015 – a period of six months. It is proposed that this is from the HRA revenue account surplus documented in a separate report on the agenda. This would provide the stability to make certain changes in this period to change the way the service is provided and managed;

(b) the current service is provided free of charge to over 2,000 properties – it is a property based service rather than based on individual needs. In this option, a free service would be provided by the District Council based on agreed criteria to approximately 1,350 tenants which is a similar number that currently qualify for free grass cutting and free decoration as Council policy. Attached are the suggested criteria in Appendix 1 which are similar to the criteria already in operation in housing services for the provision of free grass cutting and free decoration to vulnerable tenants. The cost of monitoring each alarm is £1.67p per week (£86.84p per annum) and with up to 1,350 tenants, it would require an annual commitment from the HRA revenue account of up to £117,234 from 1 April 2015;

(c) In moving to a service based on individual needs rather than properties, there is a need to move away from existing hardwired alarm systems (except for five sheltered housing locations) to dispersed alarms. This means that it does not matter what type of Council accommodation the individual lives in as a dispersed alarm just requires a telephone socket connection. The existing hard wired systems are at the end of their economic life and require replacement in any event. This has not been done to date as this Council was waiting for the review of Supporting People grants by Staffordshire County Council. There is £350,000 in the 2015/16 HRA capital programme and it is proposed that £120,000 is brought forward into this financial year to deliver this technology transition. There would need to be further capital expenditure in 2015/16 also. The transition from hard wired technology to dispersed alarms also enables significant financial savings to be made in reduced expenditure on maintenance. The dispersed alarm units would be purchased and owned by the Council and provided to tenants who qualify for the service free of charge;

(d) finally, in providing a service to a lower number of tenants for approximately 50% of the previous Supporting People grant, there is a need to reduce the cost base for the service to ensure its long term viability. There are revenue cost savings in moving from hard wired systems to dispersed alarms. The most appropriate way of securing the balance of savings required is to secure a partner who is already a provider of social alarms to provide this service in the future under contract to Cannock Chase Council. This would also improve the current resilience of the 24 hour service by being part of a bigger social alarms service. A tender process would need to be conducted and the partnership arrangements in place by 1 April 2015.

5.13 *Option 3 – Provide free equipment but charge Council housing tenants the weekly monitoring charge of £1.67 per week (£86.84p)*

This option would see the Council providing free social alarm equipment to all Council housing tenants who met the criteria in Appendix 1. Individual tenants would then have to pay £1.67p per week for the 24 hour monitoring service

provided by Central Control. If 1,350 tenants pay for the monitoring service, this would deliver income of £117,234. There would remain a need for a partner in this option in order to further reduce the cost base of the service especially if 1,350 tenants were not willing to pay for the service.

- 5.14 In relation to Option 2 and 3, it is also proposed to increase the charges from 1 October 2014 to Stafford Borough Council, Lichfield District Council and Newcastle U Lyme Borough Council for handling their out of hours calls; and to increase the charges to South Staffordshire District Council and Stafford Borough Council for handling lone worker arrangements. This proposed increase in charges is expected to generate an additional c£8,000 in income unless any of the authorities decide to terminate their agreement for service.
- 5.15 Cabinet are asked to consider these three options and implications and decide which is preferred for implementation by officers.

## **6 Implications**

### **6.1 Financial**

The financial impact of the withdrawal of Supporting People Grant will in the first instant be borne by the HRA in 2014-15. However there are ongoing implications for the viability of the Social Alarms (and CCTV) General Fund services as detailed below. In addition the General Fund would be liable for any severance costs if the service is downsized or ceases.

The Council has three contracts with Staffordshire County Council to deliver supported housing services in respect of sheltered housing (c£90,000) and community alarms (c£214,000) as well as a contract to accept tele-care referrals handled by the social alarms service.

The withdrawal of funding from the County Council will leave a budget shortfall of £107,000 in 2014-15 (Community Alarms) and £304,000 thereafter (sheltered Housing and Community alarms).

The Sheltered housing scheme forms part of the HRA whereas the supporting people grant funds 55% of the Social Alarms Service. The latter is a General Fund Service and forms part of the Councils CCTV and Social Alarms Service.

The removal of 100% of the grant for sheltered housing support can be addressed by the introduction of a service charge from 1 April 2015. The service charge will be subject to support from Housing Benefit reflecting the level of support the tenant already receives.

Three options are proposed for Social Alarms from 1 April 2015; with the HRA providing compensating funding to maintain the service to 31 March 2015

- Option 1 Cease providing a social alarms service

This option would involve severance costs for the social alarms employees and this, inclusive of actuarial strain, is estimated to be approximately £99,000. Additional severance costs may also arise in relation to the management of the service.

Additional costs will also be incurred on an ongoing basis unless existing other services can be contained within the budget available. Alternatives would need to be secured to handle the Councils out of hour's phone calls, lone working monitoring and social alarms monitoring in the Council's five sheltered housing schemes.

In addition the ongoing viability of the CCTV service would be put in question since additional costs particularly in relation to Management; administration and running costs would fall on the service since the costs are currently split between CCTV and Social alarms. However it may be possible to reduce such costs by re-aligning service responsibilities either as part of existing vacant posts or as part of the senior management restructure.

- *Option 2 – Continue to provide a free service but at a reduced cost*

This option requires an ongoing commitment from the HRA budget for which no provision exists at present. In addition a dispersed rather than hardwired alarm service would be required. Provision of £300,000 exists in the 2015-16 HRA Capital programme for this and this would need to be re-phased.

Potential income of £117,000 to the General Fund would arise as a result of the HRA funding the monitoring service leaving a shortfall of approximately £97,000. Part of this may be offset moving from hard wired systems to dispersed alarms with the most appropriate way of securing the balance of savings required is to secure a partner who is already a provider of social alarms to provide this service in the future under contract to Cannock Chase Council.

Such arrangements would however require a review of funding arrangements for the CCTV service as detailed in Option 1.

- *Option 3 – Provide free equipment but charge Council housing tenants the weekly monitoring charge of £1.67 per week (£86.84p)*

As per option 2 however income would be dependent upon tenants meeting the monitoring cost. Income would not be guaranteed under this option and if a partner is sought variations to the contract could arise in the future if the level of tenants participating reduced considerably.

In relation to Option 2 and 3, it is also proposed to increase the charges from 1 October 2014 for handling out of hours calls and lone worker arrangements. This proposed increase in charges is expected to generate an additional c£8,000 in income unless any of the authorities decide to terminate their agreement for service.

## 6.2 Legal

- 6.2.1 In relation to the proposed introduction of a Service Charge for the provision of support to sheltered housing tenants, a consultation process is required. The introduction of a service charge is governed by the existing provisions set out in the tenancy agreement.
- 6.2.2 In relation to Option 1 (Social Alarms), the Council needs to meet its legal obligations as employer which is set out under Human Resources.
- 6.2.3 In relation to all three options (Social Alarms), a consultation process needs to be followed if an existing social alarms service is going to be withdrawn where it forms part of the Services provided under the tenancy agreement.
- 6.2.4 In relation to Option 2, the free social alarms service for those who meet the criteria in Appendix 1 would be an arrangement outside of the tenancy agreement.
- 6.2.5 In relation to Option 3, the charged for social alarms monitoring service would be an arrangement outside of the tenancy agreement.

## 6.3 Human Resources

- 6.3.1 If Option One is selected and the Council ceases to provide this service, then as stated in the body of the report, the employees engaged to deliver this service would likely be made redundant.
- 6.3.2 There are currently 9 contracted employees and 3 casual workers engaged to deliver the Social Alarm function, along with a Service Manager position, responsible for the delivery of both the Council's CCTV and Social Alarm functions.
- 6.3.4 Once a final structure for the CCTV and Social Alarms function is proposed, a consultation process would commence in line with relevant legislation and the Council's own Redundancy Policy. Those individuals identified as at risk of redundancy would be consulted on the proposal to cease / reduce the Social Alarms function. In the event of a redundancy situation, the Council undertakes a 30 day consultation period (where less than 99 employees are placed at risk of redundancy) with all potentially affected employees.
- 6.3.5 Where redundancies are confirmed following consultation, the Council ordinarily expects that employees will serve their respective notice periods at work. On this basis, a redundancy consultation process would need to commence by early December 2014 to enable a full consultation period and to accommodate a maximum of twelve weeks' notice of redundancy.
- 6.3.6 Following the consultation process and where redundancies are confirmed, employees will be issued with notice of redundancy and will be provided access to vacancies within the authority throughout their notice periods. In this case, where employees are successful in gaining alternative employment they will be entitled to a four week trial period in any new role and subject to confirmation of appointment, the redundancy situation would be mitigated.

- 6.3.7 Where a redundancy proceeds, the Council operates an enhanced Redundancy Scheme subject to the requirement to have three years Local Government Service at the anticipated date of leaving and be a member of the Local Government Pension Scheme. Where these criteria are met, employees are entitled to redundancy pay calculated at three times the statutory weeks' entitlement, capped at 70 weeks' pay. Where this is not the case, Statutory entitlements would apply.
- 6.3.8 An estimate of redundancy costs for this service excluding the Service Manager is £80,667.00 (excluding actuarial strain). In the event that the Service Manager Position is placed at risk of redundancy this figure would increase to £134,707.00 approximately.
- 6.3.9 In addition, employees aged over 55 who are members of the Local Government Pension Scheme will also be entitled to immediate access to unreduced pension benefits accrued up to their date of leaving. Where this occurs, the authority would incur actuarial strain costs, payable to the Staffordshire Pension Fund.
- 6.3.10 If Option Two or Option Three is preferred and approval is given to the selection of a partner for the provision of the Social Alarms and Out of Hours service from April 2015 then it is considered that the Transfer of Undertakings Protection of Employment regulations (TUPE) 2006 will apply.
- 6.3.11 TUPE Regulations mean that those employees engaged to undertake the work that is transferring to the new partner would be automatically transferred to the new employer and their terms and conditions of employment would be protected. In addition, where these employees have been member of the Council's Occupational Pension Scheme (LGPS) they are also entitled to join a comparable scheme with the new employer
- 6.3.12 For the purposes of a TUPE transfer, protected terms would be those found in the contract of employment, such as pay, allowances, annual leave entitlements, continuous service etc.
- 6.3.13 In the event of a TUPE transfer, consultation with affected employees would be required.
- 6.3.14 In the first instance it is advisable to brief employees within the service on the intention to tender for an alternative provider for the service and to advise that TUPE will apply to the subsequent transfer. Ongoing communication with employees throughout the selection process is also recommended.
- 6.3.15 Once a provider is selected, a further period of consultation would commence with affected employees. The authority would be required to collate relevant employee liability information to provide to the new employer in line with TUPE regulations, such as contractual terms and personal information as necessary.

#### 6.4 **Section 17 (Crime Prevention)**

None

**6.5 Human Rights Act**

None

**6.6 Data Protection**

None

**6.7 Risk Management**

Due to the vulnerable nature of many of the tenants who currently receive a free social alarms service, there are risks in terms of removing this service which could lead to an increase in the rate of emergency admission to hospital and / or entry to higher dependency care settings.

**6.8 Equality & Diversity**

The County Council are completing a community impact assessment as per requirements of s149 of the Equality Act 2010. No public consultation has taken place on these funding decisions so individuals who are affected have not had any opportunity to identify the likely impact on their individual circumstances.

**6.9 Best Value**

The programme to deliver Staffordshire County Council Medium Term Financial Plan savings targets may adversely impact on the principle of best value as these costs transfer instead to service providers.

**7 Appendices to the Report**

Appendix 1                      Criteria for the provision of a free social alarms service to vulnerable individuals

**Previous Consideration**

Supporting People Contracts	Cabinet	18 October 2012
Sheltered Housing – Supporting People Contract Extension	Cabinet	15 December 2011

**Background Papers**

Correspondence with Staffordshire County Councils officials and Cabinet Member (Cllr Alan White) on Supporting People Grant Reductions.

Notification of cessation of Supporting People grant funding from Staffordshire County Council dated 30 June 2014.



## **APPENDIX 1 – CRITERIA FOR THE PROVISION OF A SOCIAL ALARM SERVICE TO COUNCIL HOUSING TENANTS.**

Social Alarm equipment and monitoring service (option two) or social alarm equipment only (Option Three) will be provided to housing tenants who live in any type of property provided that they meet the following criteria:

- I. Are secure or introductory tenants of Cannock Chase Council.
- II. Have or are willing to permanently provide a 'live' telephone connection socket in their property for connection to a dispersed alarm.
- III. Are either:
  - a. Aged 70 years or over

**OR**

  - b. Live in a property with disabled adaptations and are in need of those adaptations

**OR**

  - c. Receive one or more of the following benefits :
    - i. Attendance Allowance
    - ii. Disability Living Allowance
    - iii. Severe Disablement Allowance
    - iv. War Disablement Pension
    - v. Long Term Incapacity Benefit (long term only)
    - vi. Employment Support Allowance (Support component only)

**NOTE: Other tenants in exceptional circumstances as determined by the Head of Housing and Waste may be eligible for this service.**

**July 2014**