

**Committee: Cabinet**

**Agenda Item**

**Date: 12 January 2016**

**15**

**Title: Essex County Council reduction in funding for Housing Related Support**

**Author: Julie Redfern – Housing Portfolio Holder**

**Key decision: yes**

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## **Summary**

1. This report is to inform members of the cuts being made to Housing Related Support (HRS) funding by Essex County Council from April 2016 and how the council proposes to deliver services to sheltered housing tenants and tenants with community alarms in light of the funding shortfall to the council that these cuts will result in.
2. The report has been considered by the tenant forum and housing board who endorse the recommendations and have added 2 further recommendations as follows: that a review is carried out after 6 months to assess the impact of the changes; that those currently receiving a Bronze Service are informed in writing that the service will be phased out by April 2017.

## **Recommendations**

3. That the Cabinet notes the loss of HRS funding from Essex County Council and recommends:
  - a. The proposed changes to the sheltered housing scheme management service in light of the funding reductions from Essex County Council as follows:
    - i. withdrawal of gold, silver and bronze level of services
    - ii. introduction of two levels of service: sheltered (weekly visit) and sheltered plus (daily visit)
    - iii. continuation of Bronze service for current bronze service tenants (interim)
  - b. That charges for the council's sheltered housing scheme management service (funded from HRS charges and Intensive Housing Management charges) to be set at:
    - i. Sheltered: £15.80 per week
    - ii. Sheltered plus: £17.80 per week
    - iii. Bronze service (to be continued for existing users): £13.80 per week

- c. Residents are written to informing them of changes in the funding arrangements.
- d. Residents receiving the Bronze service are written to informing them that it will be phased out by April 2017.
- e. Changes to the housing related support service are reviewed 6 months after implementation of the changes.
- f. That the cost of community alarms be fully recovered from users.
- g. That the further reductions in HRS by Essex County Council in 2017/18 be noted.

### Financial Implications

- 4. Failure to pass on the funding reductions to tenants would have a negative impact on the Housing Revenue Account.
- 5. The loss of HRS funding for the scheme management service to be fully recovered from April 2016.

### Background Papers

- 6. None

### Impact

- 7.

Communication/Consultation	Tenants, Members, Staff
Community Safety	N/A
Equalities	Equality Impact Assessment carried out
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	Proposed changes will ensure sustainability of service going forward
Ward-specific impacts	All
Workforce/Workplace	Sheltered Housing Team

### Situation

- 8. Essex County Council (ECC) has informed officers that as from April 2016 there will be a reduction in the level of Housing Related Support (HRS)

(formerly known as Supporting People (SP)) funding received by all authorities across Essex.

9. The cuts have been confirmed as £2 per sheltered housing tenant that currently receive HRS funding and the discontinuing of the funding that currently allows council tenants to have a community based alarm (Lifeline) without any cost to the tenant.
10. The council has already been subsidising the cost of providing support within sheltered housing following previous cuts to HRS. This is now not a sustainable approach to funding these services particularly as ECC has indicated that all funding may cease from April 2017. The rationale that ECC makes for these cuts is that people who require this type of support can claim appropriate benefits to pay for it themselves.
11. A review of how the sheltered housing service is delivered has shown that whilst sheltered housing officers spend a large part of their time supporting tenants or providing the Lifeline service they also spend a considerable proportion of their time on Intensive Housing Management (IHM) functions and so it is important that when looking at future charges to the service these duties are correctly identified and charged for appropriately. IHM functions are able to be covered by Housing Benefit whereas support charges are not.
12. It is therefore proposed that a specific service charge for IHM be introduced from April 2016 and that all tenants within sheltered housing will need to pay this charge either for themselves or via Housing Benefit. The amount that tenants will then be charged for support services will be reduced proportionately so that the overall effect will in fact not be to increase charges to tenants over and above the need to recover the reduction of funding from ECC.
13. Currently sheltered housing tenants have the choice of receiving a bronze silver or gold sheltered housing service. However it is felt that it is important that sheltered housing is for people who do require a level of support and that the minimum a client should require is a weekly visit. Whilst the bronze service may suit some residents, a recent incident has shown that a tenant can be subject to a dramatic event at any time and that it is therefore hard to justify why we would have tenants living in sheltered housing who are not seen from one week to the next, even where this is at the tenants request.
14. It is proposed that the current three levels of sheltered service are reduced to two, 'Sheltered' – with a weekly visit and 'Sheltered Plus' – with a daily visit. Tenants who currently receive the Gold or Silver service will be automatically transferred to Sheltered or Sheltered Plus. Bronze service tenants will be allowed to continue with this level of service until their circumstances change and they are identified as requiring more support. All new tenants as from January 2016 will only be able to choose between 'Sheltered' and 'Sheltered Plus'.
15. By changing the levels of service and introducing the IHM service charge the council will be able to continue to provide a first class sheltered service for

tenants in spite of the loss of income from ECC. Although it will mean that some tenants who are currently in receipt of housing benefit will, for the first time, have to start paying a contribution towards their support costs any increase in charges to tenants will be mitigated by the 1% per annum rent decrease that all social housing tenants will be receiving over the next 4 years.

16. It is also proposed that tenants who wish to continue to have a Lifeline unit as from April 2016 are going to have to pay for this service in full as the Housing Revenue Account will not be able to sustain the provision of these units to tenants without the funding from ECC. The charge for a Lifeline unit is currently £4.16pw and there is already a shortfall in funding for these units as ECC only pays the equivalent of £3.10. This will be reducing to zero. The only sustainable option is therefore to ask tenants to pay for this service if they wish to continue with it. Again the argument from ECC is that people who need a Lifeline should be in receipt of or be able to claim such benefits that are designed to be used to pay for this type of support service. Private tenants and tenants of housing associations as well as owner occupiers pay for this service in full for themselves regardless of their financial circumstances. It is therefore thought that this should be the same for council tenants going forward and again with the 1% reduction in rent as opposed to what would have been a 4% increase the cost of charging tenants for their Lifeline will be mitigated.

17. The following charts show the current charges to tenants and the proposed new charges. The first table shows the charges for tenants not on housing benefit (HB), the second shows the charges for those on HB

Actual costs for those paying						
	Bronze Service	Bronze Service	Silver Service	Sheltered	Gold Service	Sheltered Plus
	Current Charges	New Charges	Current Charges	New Charges	Current Charges	New Charges
Support Charge (paid by tenant)	11.77	7.91	14.72	9.91	16.63	11.91
IHM (paid by tenant)	0.00	5.89	0.00	5.89	0.00	5.89
<b>Total</b>	<b>11.77</b>	<b>13.80</b>	<b>14.72</b>	<b>15.80</b>	<b>16.63</b>	<b>17.80</b>
Actual costs for tenants on HB						
	Bronze Service	Bronze Service	Silver Service	Sheltered	Gold Service	Sheltered Plus
	Current Charges	New Charges	Current Charges	New Charges	Current Charges	New Charges
Support Charge (funded by UDC)	2.27	0.00	2.90	0.00	3.18	0.00
Support Charge (paid by tenant)		0.41		0.39		0.46
HRS	9.50	7.50	11.52	9.52	13.45	11.45
IHM		5.89		5.89		5.89
<b>Total</b>	<b>11.77</b>	<b>13.80</b>	<b>14.42</b>	<b>15.80</b>	<b>16.63</b>	<b>17.80</b>

## Risk Analysis

18.

Risk	Likelihood	Impact	Mitigating actions
Charges are not passed on	2. Members do not agree to pass on charges	2. Financial risk to the HRA	Service re-configured so that some cost can be met by HB

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.