

REVIEW OF FUNDING FOR EXTRA CARE – ST. DAVID’S HOUSE AND QUEEN’S COTTAGES

Relevant Portfolio Holder	Cllr Mark Shurmer, Portfolio Holder for Housing
Portfolio Holder Consulted	Yes
Relevant Head of Service	Liz Tompkin, Head of Housing
Ward(s) Affected	Batchley and Brockhill
Ward Councillor(s) Consulted	Cllr Pattie Hill, Cllr John Witherspoon
Key Decision / Non-Key Decision	Non-Key Decision

1. SUMMARY OF PROPOSALS

This report sets out proposals to increase existing service charges relating to communal facilities at St David’s House and Queen’s Cottages and to note that as a result of cuts to funding from Worcestershire County Council as part of their Future Lives programme, in future, costs of providing housing related personal support will need to be paid by the tenant.

2. RECOMMENDATIONS

The Committee is asked to **RECOMMEND** that:

- 1) service charges for the cost of providing communal facilities at St. David’s House and Queen’s Cottages be increased to reflect the actual cost of providing them;**
- 2) charges to apply from Monday 6th October 2014 and to be reviewed on an annual basis as part of the Council’s fees and charges process; and**

to **RESOLVE** to **NOTE** that

in future all residents of St. David’s House and Queen’s Cottages will be charged for housing related personal support, which is currently paid for some residents by the Worcestershire County Council Supporting People Fund, as this is being withdrawn.

3. KEY ISSUES

Housing Related Personal Support

- 3.1 St. David's House and Queen's Cottages is an Extra Care scheme comprising of 54 units of accommodation; 35 flats within St. David's House and 19 bungalows at Queen's Cottages. All residents of the scheme benefit from the use of the communal areas, activities, luncheon club and on-site staff 24 hours a day 365 days a year.
- 3.2 The Extra Care scheme has historically been funded through a mix of rental income, provision of care via a contract with Worcestershire County Council, provision of Housing Related Personal Support via a Supporting People contract with Worcestershire County Council for those in receipt of Housing Benefit, support charges paid by those who are not in receipt of Housing Benefit and service charges.
- 3.3 Worcestershire County Council needs to save £30 million in 2014/15 and then £25 million per year until at least 2016/17. Adult Services and Health have developed a programme called Future Lives to prioritise funding to services which they have a statutory duty to provide or to those services where there is evidence they avoid or reduce the need for social care. Commissioned Services have been reviewed within the above context and Worcestershire County Council has determined that whilst funding Extra Care Schemes enables them to meet their objectives this is not true of funding Housing Related Personal Support. The result of this is there will no longer be funding in the form of Supporting People for the Housing Related Support provided at St. David's House and Queen's Cottages this will need to be paid by the tenant. The current charge, as agreed in Fees and Charges is £62.50 per week.
- 3.4 Officers are proposing that everyone makes a contribution to the support provided. Support covers activities such as the daily well being visit, a member of staff on site 24 hours a day 7 days a week, monitoring of and responding to calls made through the lifeline system, provision of activities plus support to enjoy them, support prompts for medication and a personalised support plan. This charge is not Housing Benefit eligible but can be covered by the tenant's Attendance Allowance payments. Officers are asking for this charge to be set at £33.00 per week for the remainder of 2014/2015 and increased to £36.00 for 2015/2016.
- 3.5 A further change for Members to note is the change in the way care is funded. Worcestershire County council will no longer provide a care contract. Instead providers have submitted a tender to be included on the domiciliary care provider list. Providers need to be on this list to demonstrate they have On-Site provider status which is needed in order to provide the care at St. David's House and Queen's Cottages. Redditch Borough Council have been successful in being

placed on this list. Care will be purchased by County or by the individual, if in receipt of direct payments.

Service Charges

- 3.6 As a result of the above Officers have been looking at the impact of this on the continued financial viability of St. David's House and Queen's Cottages. They have reviewed the costs of running the scheme plus the income generated by the current service charge arrangement.
- 3.7 Service charges are Housing Benefit eligible and cover things such as communal cleaning, landscaping, scheme management including maintaining the fire alarm and the door entry system. Service charges are currently £11.40 per week for tenants that live at St. David's House. The charge for those tenants that live at Queen's Cottages is £4.10 per week. In the interest of fairness Officers are asking to increase the Service charge to £22.00 per property per week for the remainder of 2014/2015 and increased to £25.00 for 2015/2016. St. David's House tenants will also continue to be charged for £7.00 per week for heating and £3.10 per week for the water.

Financial Implications

- 3.8 Worcestershire County Council has decided to change how they fund Extra Care schemes. Historically Extra Care schemes were funded via two contracts; one for Support and one for Care which in total provided £318,360 of income a year to St. David's House and Queen's Cottages.
- 3.9 Worcestershire County Council will provide funding for Core and Waking Nights cover this is currently worth £60,000 a year however is subject to review every 6 months as the value is based on the number of resident's in receipt of Housing Benefit.
- 3.10 Care will be purchased by Worcestershire County Council from Redditch Borough Council at a reduced rate of £13.20 per hour. This purchase will either be by the County or by the individual if they have opted to have direct payments. Currently an average of 230 hours per week is provided at St. David's House and Queen's Cottages. Officers have calculated the care will generate income of £157,800 per year this results in a total shortfall of £100,560.
- 3.11 In Year 1, based on a new staffing rota using salary costs based on the highest point, St. David's will experience a shortfall of £40,000 and HRA reserves will need to be used to balance the budget. In Year 2 St. David's will be able to operate within its income stream (Appendix 1 – Income and Expenditure).

Legal Implications

- 3.12 Charges for ancillary services currently provided by the Worcestershire County Council and which are being withdrawn as a result of budget changes can be offered at a charge by Redditch Borough Council as ancillary to its housing function.
- 3.13 Service Charges as made under the tenants' individual tenancy agreements. The Housing Act 1985 provides that these charges can be increased provided tenants are given at least 28 days notice of the change.

Service / Operational Implications

- 3.14 Officers have reviewed staffing arrangements and rota hours to make the service as streamlined and as efficient as possible. This also included a review of administrative work to create capacity to invoice customers and Worcestershire County for the hours of care we provide.

Customer / Equalities and Diversity Implications

- 3.15 The changes to funding support will impact on the 46 customers that are currently on Housing Benefit as their Support costs are currently funded through Supporting People. Officers have identified that Attendance Allowance can be used to pay for support and the Support charge proposed is not greater than the current Attendance Allowance rates.
- 3.16 The service charges will be Housing Benefit eligible thus currently the implementation of increased service charges will affect 8 customers.
- 3.17 Officers have committed to meet with each resident and their family to review income to ensure they are in receipt of all the benefits to which they are entitled.
- 3.18 Officers from Redditch Borough Council and Worcestershire County Council met with tenants and their families on 3rd July 2014 to discuss the changes to funding by Worcestershire County Council and these proposals. Local Councillors also attended.
- 3.19 Residents and families strongly vocalised how much they value St. David's House and Queen's Cottages but understood these charges were needed to meet the shortfall (Appendix 2 – Briefing Note, Appendix 3 – Case Study).
- 3.20 Officers have made them aware that proposals are subject to approval by members and that if agreed would commence Monday 6th October 2014.

4. STRATEGIC PURPOSES

The Extra Care scheme enables residents to:

- Help me to live my life independently
- Help me to be financially independent

5. RISK MANAGEMENT

5.1 If the funding and operations are not redesigned then it will not be viable to run St. David's House and Queen's Cottages as an Extra Care scheme. This will have a serious impact on those living at the 54 units of accommodation and the officers who are employed by Redditch Borough Council to operate the Extra Care Scheme.

5.2 Officers are aware that funding cuts from Worcestershire County Council will continue and will look at maximising income through various streams.

6. APPENDICES

Appendix 1 - Income and Expenditure

Appendix 2 - Briefing Note

Appendix 3 – Hypothetical Case Study

7. BACKGROUND PAPERS

- Cabinet paper by officers of Worcestershire County Council
7 November 2013
6. FUTURE LIVES: PATHWAYS TO INDEPENDENCE
- Cabinet paper by officers of Worcestershire County Council
Thursday 6 March 2014, 10.00a.m., County Hall

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