

Cabinet Decision 26 July 2016	 TOWER HAMLETS
Report of: Denise Radley – Director of Adults’ Services	Classification: Unrestricted
Sheltered Housing Options Paper	

Lead Member	Councillor Whitelock Gibbs, Cabinet Member for Health & Adults’ Services
Originating Officer(s)	Karen Sugars
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	More People Living Healthily and Independent for Longer

Executive Summary

1. The attached paper sets out a number of options for the future of sheltered housing model in Tower Hamlets and recommends:
 - The development of a new delivery model for providing support in sheltered housing based on a visiting floating support approach (Option 4 in the report)
2. Cabinet (5 January 2016) has previously given authority for the contracts to be extended to 31 March 2017.
3. Of the 13 contracts in place, the majority end on 31 March 2017. In the longer-term, the approach to sheltered housing will be aligned with the Ageing Well Strategy and the borough’s Housing Strategy which are likely to reach Cabinet later this year.
4. All 13 contracts in place are paid on a subsidy basis (see 3.4) and it is anticipated that the Council will spend in the region of £563,498 total per annum in this financial year. Previously funded via the “Supporting People” budget, the funding for housing related support is now part of mainstream commissioning budgets and is also used to provide support to those not receiving adult social care services as part of a preventative approach
- 5.
6. Option 4 is to commence a procurement exercise following consultation with tenants and their families on a new model for a visiting floating support service which allows for flexible provision where support hours can be varied at each service according to individual need. The specification for this service will

provide for continuity of support as part of the overall quality standards

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree to proceed to move to a new model outlined in **Option 4** and authorise the initiation of a tender process for a visiting floating support service and subsequent awarding of contract, subject to best value consideration being met by bids received, in respect of the sheltered housing schemes listed in this report (noting that a short extension to some contracts may be required in order to complete the tendering process).

1. REASONS FOR THE DECISIONS

- 1.1 The recommendations and proposals within this accommodation plan have been developed to better match the housing related support needs of older people, to offer a flexible and tailored provision and continue to operate in an effective way, delivering high quality outcomes.

2. ALTERNATIVE OPTIONS

- 2.1 The report considers a number of options which are considered within the detail of this report. A sheltered housing accommodation plan is required as the contracts end at 31 March 2017 and “commissioning and procuring efficient, value for money adults social care” is critical to the delivery of the Councils Medium Term Financial Strategy

3. DETAILS OF REPORT

- 3.1 As part of the commissioning process a review of the current sheltered housing contracts has taken place to ensure that any revised contract is fit for purpose. The attached paper sets out the results of this review, identifying the key issues and sets out a number of options for the future provision of sheltered housing in the borough.
- 3.2 Between Oct 2015 and Jan 2016, the Vulnerable Adults Commissioning Team (VACT) visited 14 schemes to carry out a minimum standards monitoring visit. In addition, a service user needs analysis was carried out, as well as a tenants’ satisfaction survey, with 335 tenants completing the satisfaction survey - a return rate of around 48 percent.

- 3.2 There are 26 sheltered housing schemes (711 units) managed by nine different providers. Gateway Housing is the largest provider, with 14 schemes (408) units. Sheltered housing is committed to improving the quality of life for people aged 55 years and over through the provision of accommodation that is safe and which promotes personalisation, prevention and early intervention support services that have an enablement focus.
- 3.3 The Council funds the warden support service which is delivered Mondays to Fridays, generally between 9am - 5pm or at alternative times agreed with service users.
- 3.4 There are 13 contracts in place, which are paid on a subsidy basis; this means that the Council subsidises the service by funding the cost of the warden for those people that are eligible to receive benefits. Individuals whose income is above set thresholds will be required to fund the warden support (self-fund) directly to the landlord. All potential tenants are means tested.
- 3.5 To date the Council has maintained the historic model of provision – broadly one warden for one scheme; this has been the case since 2003 when the funding for such services transferred to the Council. The out of hours emergency cover is provided by a telecare / community alarm provider – the majority of whom access the Council service which is paid separately by the Vulnerable Adults Commissioning Team (VACT).
- 3.6 The support hours vary across the schemes as they are reflective of both the size of the scheme and the needs of the tenants living in the schemes. In the 14 Gateway Housing (GH) schemes, roughly one hour of support per person per week is provided, and in the other 12 schemes, on average 1.3 hours of support is provided per person per week.
- 3.7 Several Registered Social Landlords/providers have expressed that they do not wish to continue with this level of subsidy. Previously, when a number of sheltered housing schemes were subject to a competitive tender exercise via the Supporting People Framework Agreement, either a very low number of bids or no bids were received due to the level of subsidy by the current provider, making them unsustainable for any new provider.
- 3.8 The sheltered services are funded until 31 March 2017 and there is a small window in which to consult and procure services, should there be a move to an alternative model of provision (Option 4). A short contract extension to most contracts will likely be required to complete the procurement in this scenario.
- 3.9 Any move away from the current model will likely generate significant interest and will require further engagement with tenants, carers and stakeholders. Officers from the Vulnerable Adults Commissioning Team will ensure that a comprehensive engagement exercise takes place prior

to any competitive tender. Whilst a sensitive service area, many/most local authorities have already shifted to floating support models and we can learn from the experience of engagement and procurement elsewhere.

- 3.11 For **Option 1**, it is calculated that an additional £140,000 pa would be required to maintain the services at the existing level at a rate acceptable to some providers. Given budget constraints and the medium term financial challenge, additional investment in this area is not considered feasible. However providers are telling us that the model is not sustainable.
- 3.12 **Option 2** would enhance the existing provision with additional daily wellbeing checks provided at weekends and the provision of a quality premium for activities. This option would require an additional £355,500 pa and is included for completeness. There is little evidence that an enhanced level of service is required.
- 3.13 **Option 3** models the reduction in support provision to fit within the current funding envelope; it reduces support from an average of 1.33 hours per person per week to approximately 49 minutes. The reduction in the support provision would mean that on a day-to-day basis, the warden would spend less time at each scheme but would still be able to carry out the support function in a more targeted way – how this change is delivered would be determined by providers depending on current staffing arrangements. As 28 per cent of tenants have opted out of the daily wellbeing check, this model would use available resources more efficiently. However providers are telling us that the model is not sustainable.
- 3.14 **Option 4** (the preferred model) is a visiting (known as ‘floating’) support model, which is also the preferred model used by a number of boroughs including Greenwich. Under this model, support staff will visit each sheltered scheme for a set number of hours per week. This has been based on the provision of 6 half days presence per scheme per week. This figure has been chosen to enable a daily presence to be provided which maximises in-scheme presence, inclusive of one day at the weekend, and which enhances the current model. This model allows for a flexible provision as the support hours can be varied at each service according to individual need.
- 3.15 **Option 5** is an alternative way of categorising housing related support which maximises income from other sources. A number of boroughs who reduced the former Supporting People budget, for example Southwark, Lewisham, Barnet and Harrow now provide an enhanced model of housing management. This entails a re-categorisation of tasks away from support to housing management which would then be eligible for housing benefit. Whilst there is potential for savings to the Council, such a move is not likely to be feasible for providers running single schemes.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

In 2015-16 the sheltered housing subsidy budget (£622k) underspent by £108k. This was attributable to a number of properties being refurbished which reduced the demand for warden services. In 2016-17 the buildings are expected to be fully operational which is likely to increase the demand for the service.

The recommended option is within the currently approved budget provision of £611k:

- £564k for option 4

However, given that the scheme is subsidy based, linked with means testing, the demand for the service will fluctuate. The service considers that any fluctuation will not increase the full year costs to be above budget allocation of £611k.

5. LEGAL COMMENTS

- 5.1 Under sections 1 through to 7 of the Care Act 2014 (the Act) the Council has a number of general responsibilities, including a duty to co-operate with each of its relevant partners in the exercise of their respective functions in the Council's area relating to adults with needs for care and support. Further, there is a general duty to prevent needs for care and support from developing.
- 5.2 The identification of the opportunities may contribute to the Council meeting its general duties under the Act, which include –
- 5.2.1 To promote an individual's well-being. Well-being is defined in the Act and includes control by the individual over day-to-day life. In exercising this general duty the Council must have regard to the importance of preventing or delaying the development of needs for care and support as well as and the importance of the individual participating as fully as possible.
- 5.2.2 To promote integration of care and support with health services. The statutory guidance supporting the Act includes guidance for Council departments and their partners working more closely together and in a joined up manner.
- 5.2.3 For the Council and its partners to co-operate generally in the exercise of the respective functions which includes, for example, a private registered provider of social housing.
- 5.2.4 To establish and maintain a service for providing people in its area with information and advice relating to care and support. This service should include information about the choices and types of care and

support available, choices of providers available and how to access the care and support.

- 5.2.5 To promote diversity and quality in the provision of services within the locality. Under this section the Council must ensure that commissioning and procurement practices deliver the services that meet the requirements of the Act.
- 5.3 Whilst independent living is not specifically mentioned within the definition of wellbeing in the Act the statutory guidance recognises that the concept is a core part of the wellbeing principle.
- 5.4 The Council has broad powers to provide different types of accommodation in order to meet people's needs for care and support. The Act is clear that suitable accommodation can be one way of meeting care and supports needs. However, the Act is also clear on the limits of responsibilities and relationship between care and support and housing legislation, to ensure that there is no overlap or confusion. Section 23 of the Act clarifies the existing boundary in law between care and support relevant housing legislation, such as the Housing Act 1996. Where the Council is required to meet accommodation related needs under housing legislation as set out in the Housing Act 1996 or under any other legislation specified in regulations then the Council must meet those needs under that housing legislation.
- 5.5 The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This is referred to as the Council's best value duty. Best value considerations have been addressed in paragraph 7 of the report.
- 5.6 One of the ways in which the Council achieves best value is by subjecting its purchases to competition in accordance with its procurement procedures. Therefore the Council is required to tender these contracts in order to meet its best value obligations. The winning bidders should be chosen when measured against the evaluation criteria as being the one providing the most economically advantageous tender having had a regard for a blend of quality and price
- 5.7 The Services of the type included in this report are services which are governed by Schedule 3 of the Public Contracts Regulations 2016.
- 5.8 Schedule 3 in effect details that the European Rules apply to contracts such as this where the whole life cost of the services is greater than the threshold of £589,148. This means that where the estimated value of a procurement is above this threshold then the regulations apply.
- 5.9 As regards the extensions to the contracts, the anticipated expenditure for these services is approximately £560,000 and therefore the European Regulations will not apply to the extension arrangements.

- 5.10 However, as regards the new procurements required to implement option 4 it is likely that the regulations will apply due to the overall value of the Procurement.
- 5.11 Where such a procurement is subject to these regulations the Council is in particular required by the regulations to:
- i. Place an advert requesting bids for the services in the Official Journal of the European Union
 - ii. Award a contract following a fair reasonable and transparent process
 - iii. Place an award notice in OJEU
- 5.12 However, the actual requirements of the tender process itself are intended to be “a light touch” regime. In practice this means that the Council can determine all aspects of the procurement to be followed provided that it always abides by the general European principles of openness fairness and transparency.
- 5.13 Having said this, there are circumstances that may mean that the Council is unable to put together a meaningful tender opportunity. In particular the landlord of the particular establishment may object to parties entering onto the site. In effect the Council (and those who provide services on the premises on behalf of the Council) has no automatic right to enter onto the premises and there is no direct contractual link between the Council and the Landlord.
- 5.14 A service user takes up residence at the premises usually under the terms of a tenancy. It is usual for such a tenancy to allow the tenant (service user) to invite visitors onto the premises and it is under this that the Council relies on entering the premises. However, if this right is refused, (or in fact the Landlord determines that only its carers can go onto the premises) then the Council has no direct recourse of action. The Council is reliant upon the Service User to enforce its rights under the tenancy to allow the Service User’s invitees onto the premises. However, this is something outside the Council’s direct control and relying on the tenant to exercise their own rights under their tenancy may not be feasible on a practical basis.
- 5.15 However, the Council should consider strongly joining up the opportunity to have premises available as a residence to Service Users with the direct promise with the Landlord that the Council’s invitees may enter onto the premises to provide care.
- 5.16 It is understood that the checklist indicates that there is no impact on the Services Users relating to the changes indicated in this report. However, in any event any and each change in provision or services should be considered in accordance with the public sector equalities duty to eliminate unlawful conduct under the Equalities Act 2010. The duty is set out at Section 149 of the Act. It requires the Council, when exercising its functions, to have ‘due regard’ to the need to eliminate discrimination (both direct and indirect

discrimination), harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.

- 5.17 This means that the Council is obligated to take all necessary steps to ensure that it properly understands how the change to services affects people who have protected characteristics. In the circumstances not only should the Council perform an Equality Analysis prior to any changes being made but it should consider consultation with affected services users if it considers it necessary to show that it has taken due regard of the impact on those Service Users. The duty is for the Council to take appropriate steps to fully understand the needs of the people affected by the changes. This also includes the families and others of the Service Users who may also be affected.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The contract specification for the services stipulate a requirement to provide the service in a way that takes proper account of the nine protected characteristics and the evaluation process for the tender will test specific aspects of this requirement.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The contractual arrangements maximise economy, efficiency, and service benefits within the context of robust targets and better outcomes for service users.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The contractual terms and conditions, and service specification for the service to be contracted require the service provider to comply fully with all relevant environmental obligations.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The contractual terms and conditions and service specifications for the services to be contracted include a range of measures to reduce risk to the Council including those relating to financial loss; fraud; service failure and the handling of personal data.
- 9.2 The Council has in place a set of procurement procedures that are designed to ensure that procurement exercises are undertaken in a way that is compliant with relevant EU and UK legislation. The tender exercise within the

scope of this report has complied fully with the requirements set out in these procedures

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 The service to be contracted is designed to meet the community care needs of specific groups of residents. It does not, therefore, contribute to the reduction of crime and disorder other than that by making these services available, the Council is contributing to ensuring that individuals who may otherwise be more vulnerable to being victims of crime are supported to live safer and more independent lives in the community.-

11. SAFEGUARDING IMPLICATIONS

- 11.1 This contract promotes the continued safety and wellbeing of the vulnerable people who access this service. The service specification includes significant content directly addressing the safeguarding requirements placed upon the provider.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Sheltered Housing Options Paper

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- None

Officer contact details for documents:

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