Cabinet Decision 20 March 2018	
Report of: Denise Radley, Director of Health, Adults and Community	**Classification:** Unrestricted
Sheltered Housing	

Lead Member	Councillor Denise Jones Cabinet Member for Health Adults and Community Services
Originating Officer(s)	Karen Sugars Acting Divisional Director Integrated Commissioning
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A Safe and Supportive Community

Executive Summary

1. This report seeks agreement from the Mayor in Cabinet to agree to an alternative model for the support service delivered to tenants living in sheltered housing schemes in the borough. It reports back on the outcome of consultation with tenants and landlords as requested by the Mayor in Cabinet in July 2016 and explores options to:

    - Depart from the preferred option of funding support in sheltered housing from a Floating Support Model, agreed in principle by Cabinet in July 2016 and, instead, adopt an Intensive Housing Management Service (IHMS) model, and agree delegated officer authority to extend existing contracts for up to six months to allow for the transition to an IHMS model.

    - Reinvest savings created by the change in approach into programmes that combat loneliness and isolation, and improve the wellbeing of elderly tenants living in sheltered housing.

2. In moving to a IHMS instead of the Floating Support Model, the council has the opportunity to:

    - Make a saving of approximately £593,478 (see table overleaf) and be in a position to reinvest the savings to tackle isolation and loneliness, and improve the wellbeing of older people living in sheltered housing by making available an agreed amount of money for each scheme depending on size and number of tenants living in the scheme.

    - Continue to work in partnership with sheltered landlords through the transition to IHMS and maintain a similar level of support, or at a level agreed with tenants currently living in the schemes.

2017/18 budget for support provision in sheltered housing is £611,833			
Model	**Existing service**	**Floating Support**	**Intensive Housing Management Service**
Cost to the council	£455,944 (projected spend)	£534,000	£18,355 (equivalent to £0.03 per pound currently spent.)
Savings	£155, 889 (projected savings due to support no longer commissioned in four schemes)	£77,833 (against the current budget of £611,833)	£593,478 (based on 97 per cent of housing benefit claims recovered from central government)

3. The July 2016 Cabinet paper set out a number of funding options for the support provision in sheltered housing. Cabinet agreed, in principle, to move to a Floating Support Model which was the recommended option at the time, and authorised the initiation of a tender process for the floating support service pending further consultation with tenants and support providers on the changes.

4. Through the consultation process with tenants, support providers and landlords, as well as changes in the market, it became evident that an alternative model - IHMS would be a viable option to provide support in sheltered housing and create substantial savings for the council.

5. During the consultation, three sheltered housing landlords/providers advised that they would pursue an IHMS or an alternative to provide support to their tenants in their schemes from April 2017, and in response, officers were asked to explore the appetite for IHMS with the remaining ten providers.

6. Landlords/providers stated that a move to an IHMS had been adopted by a number of authorities in London and across the country, and that some authorities no longer fund a support service altogether. Feedback from landlords/providers on the move to an IHMS was positive.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree the recommendations within this report, and authorise the Corporate Director Health, Adults and Community to:

- Adopt an Intensive Housing Management Service (IHMS) model for sheltered housing provision in the borough

- Issue new contracts to the existing sheltered housing providers for up to six months to allow for the transition to an IHMS model

- Fund a range of activities in sheltered schemes at a maximum value of £500 per resident per annum in line with the Ageing Well Strategy and the Mayor's commitment to tackle loneliness and isolation and improve the wellbeing of elderly tenants living in sheltered housing

- Enter into all agreements and make such other decisions as may be required to achieve the recommendations of this report

1. REASONS FOR THE DECISIONS

1.1 The report recommends a change in approach to the original Cabinet agreement in principle to pursue a Floating Support Model for the support provision in sheltered housing. As this is change of approach to the original Cabinet decision, legal advice is that the decision to move to an IHMS will need to be approved by the Mayor in Cabinet.

1.2 Intensive Housing Management Service (IHMS) is a sustainable alternative to the Floating Support Model as it will provide greater savings for the council as well as maintaining a sustainable support provision for older people in sheltered housing in the borough.

1.3 As a number of landlords/providers have already move to an IHMS or similar model, it would be sensible to have the same type of model in all sheltered housing schemes across the borough.

2. ALTERNATIVE OPTIONS

2.1 The Floating Support model endorsed by Cabinet (July 2016) remains an option which allows support staff to visit each sheltered scheme for a set number of hours per week.

2.2 This is based on the provision of six 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. This model allows for a flexible provision as the support hours can be varied at each service according to individual need.

2.3 The Floating Support Model will cost the council £564,000 per annum. A competitive procurement exercise will have to be undertaken, and it is likely that a number of landlords/providers may opt out of the tender process (and move to an IHMS) to prevent having a different organisation provide the support in their buildings.

3. DETAILS OF REPORT

3.1 Sheltered housing is designed to give older people with little or low levels of support need the independence of having their own flat with the security of having an alarm system and regular checks by a warden or scheme manager.

3.2 In Tower Hamlets, all sheltered housing schemes are owned and managed by Registered Social Landlords. Currently the council funds the support in 20 schemes in the form of a scheme based warden, Mon-Fri, 9am-5pm who helps in emergencies and gives practical support. There are ten contracts in place, covering the 20 schemes and all end in March 2018. The budget for the support provision is £611,833 pa.

3.3 All support contracts are based on a payment per tenant, which means that no payments are made in respect of void properties in schemes, and it is anticipated that the Council will spend in the region of £455,944 for this financial year as a result of void properties, four schemes (managed by three landlords) moving to an IHMS from April 2017 and one scheme being closed for refurbishment works.

3.4 It is anticipated that most providers would want to transfer to an IHMS at the beginning of April 2018, should this not be the case and some providers require a lead in period, Officers have requested delegated authority to enter into new contracts for a 6 month period at a cost of up to £227,968 as demonstrated in the following table:

Provider / Scheme(s)	Number of units	Maximum Projected Spend (2017/18)	Maximum 6 Month Cost
Gateway - Former LBTH schemes	181	£135,336	£67,668
Gateway - Former BGVPHA schemes	148	£110,662	£55,331
Gateway - Mosque Tower	31	£23,179	£11,589
Gateway - Bustaan Raada	16	£11,963	£5,981
Genesis - Colin Winter House	34	£32,072	£16,036
Genesis - Hogarth & Manchester Rd	58	£46,040	£23,020
Industrial Dwellings Society - Stepney Green Court	19	£16,472	£8,236
Sanctuary - Shaftesbury Lodge	32	£17,118	£8,559
PA Housing (ASRA) - Cavell Street	11	£10,220	£5,110
London & Quadrant - Phoenix Court	45	£52,877	£26,438
Total	**575**	**£455,939**	**£227,968**

3.5 The figure of £227,968 is the maximum cost payable across all the schemes and the contracts would only be entered into if absolutely necessary to enable a smooth transition to an IHMS service. The cost is finance neutral as until the switch to an IHMS is undertaken it will not be possible to reinvest the savings as recommended in this report.

3.6 Previously funded through the 'Supporting People' budget, the funding for support is now part of the mainstream commissioning budget and is used to provide support to those not receiving adult social care services as part of a preventative approach.

3.7 As part of the commissioning process a review of the sheltered housing contracts took place, and a number of funding and support options were presented to the Mayor in Cabinet in July 2016.

3.8 Under the recommended option, the cost of a Floating Support Model where support staff would visit each scheme for a set number of hours per week – based on six half days presence per scheme per week was calculated at £564,000 pa.

3.9 The Mayor agreed in principle to the report's recommendation (to move to a Floating Support Model) but asked that further consultation take place before the recommendations are actioned.

3.10 Following the mayor's decision, focus groups with tenants took place in all the sheltered schemes. A total of 243 tenants plus family members and carers took part. A summary of the main points are listed below. A linked report setting out the detailed findings from the consultation as well as further work undertaken by officers in response to changes in the market is attached to this report.

- Morning wellbeing checks which involve a support worker calling or knocking on every tenant's (if they choose) door to check if they are okay (if they choose) –

this is valued for those tenants who have it, and should continue.

- A preference for having permanent staff allocated to schemes so that tenants can build relationships with the support worker

- Clarity was requested around the role and responsibility of the support worker and the landlord's roles and responsibilities (housing management).

- A number of people noted that group activities used to happen more frequently but are now limited. Tenants' groups in several schemes are not as active as they used to be. This was seen as a negative by tenants, which they asked be addressed by any new model.

- Nearly all the Somali and Bangladeshi tenants said that the weekend half day would not be useful to them and asked whether it could be added to the weekday provision. Tenants explained that language support (interpreting / translating) for making telephone appointments with doctors or housing offices and dealing with tenancy matters is a support function that is very valuable and therefore, the allocated half day proposed for the weekend would be better used during the weekdays, 9am-5pm when the majority of services are more likely to be open.

- A small group of tenants queried why the funds to keep the support provision as it is (Mon-Fri, 9am-5pm) was not being made available.

3.11 During the course of consulting with landlords and support providers, it became evident that previous concerns that some of the smaller landlords had regarding an IHMS were not as significant as originally thought (the IHMS model had been an option in the original Cabinet report but ruled out). Providers stated that the move to IHMS had been adopted by a number of authorities in London and across the country, noting that some no longer fund a support service at all, and a number of providers had responded to this by restructuring their organisation to adapt to the changes.

3.12 Three landlords (Mercers, One Housing Group and Centra) who are also the support provider had voluntarily chosen to pursue an IHMS or an alternative option to provide support to their tenants from April 2017.

3.13 Through internal governance process, officers were encouraged to explore the potential comprehensive approach to an IHMS and the financial implications to the authority and residents.

3.14 **Providers and Landlords**

3.15 Officers have met in person or had telephone contact with providers who were all supportive of the proposed move to an IHMS.

3.16 Gateway Housing Association (GHA) the largest provider of sheltered housing in the borough are positive of an IHMS and agreed to explore this option as the benefits include:

- the opportunity to maintain and fund the current / similar provision at existing levels within each scheme
- a continuity of staffing within each service
- continuity in providing a service directly to residents without the need to have to bid for the service

3.17 Unlike GHA, who are based primarily within the borough of Tower Hamlets, all other providers have experience of applying for and delivering IHMS services within their housing stock in other boroughs, and were positive in their responses to the suggestion to review the model of funding for the provision.

3.18 Genesis Housing Association provides support in three sheltered schemes. For their directly managed service at Colin Winter House they are prepared to pursue a move to an IHMS service at the end of the contract (March 2018) as this is something they were already considering.

3.19 Genesis also delivers two agency managed services at Hogarth Court and Manchester Road - the borough funding their staff to deliver the support service. Discussions with the landlord of both buildings, Southern Housing Group, have confirmed that they provide a fulltime worker to deliver a housing management function across the two schemes, i.e. 0.5 FTE per scheme per week.

3.20 Genesis has confirmed that they would be willing to discuss options to facilitate a move to an IHMS, and have the capacity to facilitate such a move.

3.21 ASRA have advised that IHMS is a model that they have explored across their group in other parts of the country, including Leicestershire, Leicester, Nottingham and others. They are supportive of IHMS in Tower Hamlets.

3.22 **Intensive Housing Management Service (IHMS) and Housing Benefit**

3.23 Under the existing contracts, the support charge is means tested and funded by the Council for all residents entitled to benefits. By moving to an IHMS model, the charge would be included within the housing service charge element of each tenants gross rent. As with the support charge, the IHMS cost can be funded by Housing Benefit where tenants qualify, and will therefore not adversely affect tenants eligible for Housing Benefit. Tenants that currently pay the support charge as they are not eligible for benefits will continue to pay in the form of a housing service charge instead of a support charge.

3.24 The potential savings if the IHMS approach is agreed are £0.97 on every pound currently spent. The Housing Benefits (HB) team have confirmed that the authority recovers 97 per cent of housing benefit claims from central government, hence the potential saving. As the IHMS is payable via Housing Service Charge and is eligible for Housing Benefit, the financial implications to the authority are minimal, equating to £0.03 per pound currently spent. This impact can be offset by utilising a proportion of the savings realised from ceasing the support contracts.

3.25 There will be a need to review the rents and service charge for each scheme and therefore, giving tenants the required notice period to allow for the change. Given that rent increases traditionally take place in April at the start of the new financial year there will be a need to extend all existing contracts for up to six months to facilitate the transition to an IHMS.

3.26 This will allow for full consultation and co-design where landlords/support providers and council officers can discuss the changes with tenants and their families/carers living in the schemes.

3.27 Tenants that currently pay the support charge as they are not eligible for benefits will continue to pay in the form of a housing service charge instead of a support charge and may see an increase to cover the support they receive.

3.28 All landlords/providers have agreed to continue to work in partnership with the borough following on from the transition to IHMS to ensure continued improvements in service quality.

3.29 **Local Housing Allowance (LHA)**

3.30 In the previous Cabinet paper, a section outlining the impact of the LHA for sheltered tenants was included as the government had previously proposed to apply the LHA cap to all claims in supported and sheltered housing with a top-up administered by the local authority.

3.31 On 25 October 2017, the government announced that LHA rates would not be applied to supported housing, nor would they be applied to general needs social housing. This was confirmed in a further consultation paper published on 31 October 2017.

3.32 Sheltered housing (and extra care) will therefore continue to be funded in the welfare system, and a 'Sheltered Rent' is proposed to be introduced from April 2020 - a type of social rent that recognises the role that these homes play in supporting older and vulnerable people and acknowledges the higher costs of these types of housing compared to general needs housing.

3.33 This will see gross eligible rent (rent inclusive of eligible service charges) regulated by the social housing regulator. Rates for sheltered housing costs will be set in consultation with the sector. Welfare arrangements for people living in all types of supported housing will apply across Great Britain.

3.34 **Savings**

3.35 An allocation of £611,833 is available within the current budget to fund the sheltered schemes (2017/18). This figure is calculated on all services operating at full capacity throughout the year and no self-payers being resident. In previous years, the actual expenditure has been around 10 per cent lower than this budgeted amount, this being the result of some tenants being self-payers and because we do not pay the support charge while properties are void. See linked report details of each support contract.

3.36 In 2017/18 a projected saving of £155,889 will be achieved due to three providers voluntarily moving to IHMS or an alternative and one scheme being closed for refurbishment .

3.37 The table below illustrates the costs and savings of an IHMS and the Floating Support Model compared to current support contracts and their cost in 2017/18.

2017/18 budget for support provision in sheltered housing is £611,833			
Model	**Existing service**	**Floating Support**	**Intensive Housing Management Service**
Cost to the council	£455,944 (projected spend based on full occupancy)	£534,000	£18,355 (equivalent to £0.03 per pound currently spent.
Savings	£155, 889 (projected savings due to support no longer commissioned in four schemes)	£77,833 (against the current budget of £611,833)	£593,478 (based on 97 per cent of housing benefit claims recovered from central government)

3.38 It is important to note that when the previous proposals were presented to Cabinet in July 2016 the projected level of spend on the current model was significantly closer to the £611,833 budget, so the relative financial benefits of the floating support model at that time were much more positive than they would now be given the lower level of projected spend in 2017/18 resulting in part from the four schemes that have already moved to an IHMS model. It is possible that a remodelled floating support scheme, excluding the four schemes which have moved to IHMS would cost more than the current expenditure. This is another important factor in the decision to recommend the IHMS model in preference to the previously recommended model.

3.39 Gateway Housing Association (GHA) has advised that their situation is unique due to the stock transfer from LBTH and previous mergers and acquisition of specialist schemes. They have stated that they have seven different tenure and tenancy agreements to review as part of the transition.

3.40 GHA have requested that transitional grant be made available to fund ineligible services and transition arrangements. They have also suggested that they may incur exceptional staffing costs through the proposed changes as we move away from grant funding which may impact on potential savings.

3.41 We have agreed to consider their requests in line with those made by all providers and will review them based on their merits once a decision is made. The borough would not want to fund any ineligible costs as the IHMS more than adequately meets service user support requirements.

3.42 **An opportunity to invest in older peoples' health and wellbeing**

3.43 The savings realised by moving to an IHMS, presents the Council with an opportunity to invest in activities to help combat social isolation and loneliness. The Council's Ageing Well Strategy (2017-20) highlights the level and impact of social isolation and loneliness, reporting that: "…persons aged over 65 living in Tower Hamlets are predicted to be among the loneliest in both London and England."

3.44 The Campaign to End Loneliness states on its website that:

"Research shows that loneliness and social isolation are harmful to our health: lacking social connections is a comparable risk factor for early death as smoking 15 cigarettes a day, and is worse for us than well-known risk factors such as obesity and physical inactivity. Loneliness increases the likelihood of mortality by 26%".

3.45 It is well documented that improved health and wellbeing for our older population means fewer hospital admissions, less dependency on care and support with less pressure on the council's health and care resources.

3.46 The Council's Housing Benefit policy lead has confirmed that the provision of a reasonable level of activities when not on a one-to-one basis will also be acceptable. This means that the support model provided via IHMS can include a level of group activities within the schemes in addition to the on-site presence during working hours.

3.47 A proportion of the funding that a move to IHMS would save could be used to fund a range of activities in each of the sheltered schemes to combat isolation and improve the general wellbeing of tenants. £77,000 of the potential saving is already taken account of in an existing MTFS savings proposal. £18k is also required to offset the cost to the council of the IMHS (the £0.03 per pound of current expenditure). This leaves an amount of £516k that could be used to fund this range of activities.

3.48 This could include English as a Second Language (ESOL) classes, exercise classes, day trips or any other activities that tenants may want that improves their social connectedness, fosters peer support and improves their health and wellbeing.

3.49 These funds, (inclusive of those that have already opted out with effect from this financial year) could be made available to tenants living in all sheltered schemes and would still leave a surplus. See table below for possible funding options.

3.50 The table below illustrates how the savings, if an IHMS approach is adopted, can be used to fund activities that tackle loneliness and isolation in older people.

Funds (savings) available £516k	**Annual activities fund to tackle loneliness and isolation across 25 schemes (711 units)**	**Remaining funds**
	£250 per tenant = £177,750	£415,728
	£500 per tenant = £355,500	£237,978

3.51 The recommended option £500 per tenant will equate to a payment of between £5,500 and £21,500 per sheltered scheme, which will offer residents a broad range of choice. From our experience of small grants we know that older person groups value the opportunity to undertake social activities e.g. day trips and purchase small equipment and materials to go toward social activities. This figure will enable the schemes to agree a programme of activities throughout the year that reflect the choice and interests of all residents, as opposed to an activity on a one off basis. Each resident

would be able to choose an activity given the funding is per head or it could be agreed on a group basis.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 The Chief Finance Officer notes the recommendations of this report, namely to adopt an Intensive Housing Management Service (IHMS), agreeing a six month extension to existing contracts to allow successful transition, and to reinvest savings into activities to combat loneliness and isolation in support of the Ageing Well Strategy.

4.2 The budget for the existing sheltered housing schemes is £612k and the cost of the new services will be contained within this existing level of funding. There are no current savings assumptions against these services in the medium term financial strategy.

4.3 The IHMS service would be included within the housing service charge element of each tenant's rent, and therefore can be funded by housing benefit where tenants qualify. Currently the housing related costs are paid by Adult Social Services as part of the placement fee, so a saving would be created by the housing related costs being funded by housing benefit instead of the Council. Tenants that currently pay the support charge as they are not eligible for benefits will continue to pay in the form of a housing service charge instead of a support charge and may see a small increase to cover the support they receive. This will be agreed between the tenant and landlord, once landlords/providers are informed of the council's intentions.

4.4 The Council recovers 97% of housing benefit claims from central government, and therefore savings could be up to £593k of the current budget depending on activity levels. It is these savings which, if agreed, could be reinvested into activities to

combat loneliness and isolation. Depending on the option adopted these savings are estimated at between £238k and £416k.

5. LEGAL COMMENTS

5.1 The Procurement law impact of a change to an intensive housing management support model is minimal on the Council. In effect the Council no longer purchases the support services and therefore there is no activity which is subject to either the legal duty to procure or the legal duty to obtain Best Value.

5.2 However, in order to give providers the time to change and to ensure there is no break in the service provision so that service users' needs continue to be met the Council may be required to enter into new short term contracts with some providers in the interim.

5.3 These short term contracts ought to be subject to competition although this is not possible in the circumstances. It is clear that a break in the service allowing time for a competitive tender would pose a significant threat to the health and wellbeing of the Service Users. It is also clear that the Council is undertaking this action as a short term measure and not purposefully avoiding competition.

5.4 The change in the way the services are acquired is likely to involve persons who have a protected characteristic. It is unlikely that a desktop equalities assessment in itself would be sufficient for the Council to properly understand the impact on service users to the levels required by the Equality Act 2010. However, the Council has also enhanced this understanding by undertaking a consultation exercise and therefore it is likely the relevant legislative threshold would be met. Also, the exercises have been undertaken whilst the decision making process was at a formative stage.

5.5 As per the Care Act 2014 the Council will continue to have a duty to meet the needs of service users where following a needs assessment they meet the eligibility criteria. For some service users having accommodation alone may mean that they no longer have eligible needs. However, other service users may continue to require care and support in other areas irrespective of having accommodation. As a general rule, the duty for Adult Social Care to provide accommodation will only arise if the support and services required to meet eligible needs are not otherwise available unless residential accommodation is provided; a service user must therefore have accommodated related care needs.

5.6 The Council should ensure to complete review needs assessments of service users where there is a change in circumstances which is likely to impact on their specific needs.

6. ONE TOWER HAMLETS CONSIDERATIONS

The provision of sheltered housing is consistent with a key aim of the council, which is to promote and to maximise the independence of every individual and particularly those who may need additional support. This is key outcome to be achieved through the provision of supported housing.

As part of the further review of options described in this report an Equalities Analysis was completed, which demonstrated no adverse impact on individuals who share protected characteristics as defined by the Equality Act 2010.

7. BEST VALUE (BV) IMPLICATIONS

7.1 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.

This paper makes recommendations as to how the council may achieve Best Value for older residents by utilising alternative funding streams to deliver an IHMS and directing funds to tackle loneliness and isolation, and therefore, improving the health and wellbeing of older people living in the sheltered housing.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 All funded activities undertaken as part of this proposal will be subject to the council's requirements to contribute to a sustainable environment and improve the wellbeing of tenants.

9. RISK MANAGEMENT IMPLICATIONS

9.1 If the proposed investment in services which promote social inclusion for sheltered housing tenants is approved by the Mayor in Cabinet suitable funding arrangements, which protect the interests of the Council, will be put in place. If it is subsequently determined that these payments should be made pursuant to the Council's powers to make grants they will be subject to the risk management arrangements already in place in respect of grant funding.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 Sheltered housing is designed to meet the specific support needs of specific group 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 The services will promote the continued safety and wellbeing of older people. The Care Act requires that each local authority must cooperate with each of its relevant partners (as set out in Section 6 of the Care Act) in order to protect the adult. In their turn each relevant partner must also co-operate with the local authority. While safeguarding adults is a lead duty of the local authority, the responsibility for identifying, investigating and responding to allegations of abuse lies with operational staff across all organisations.

Linked Reports, Appendices and Background Documents

Linked Report

- Sheltered Housing Options Paper, Cabinet Report, July 2016

Appendices

- Sheltered Housing Options Paper Update, February 2018

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

- None

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