



Future Commissioning Arrangements for Sheltered Housing and Community Alarm Services

24 July 2014 (amended 31st July)

INTRODUCTION

Lancashire County Council is required to save £300 million by 2017/18, and as part of its programme of savings it has decided to reduce the Supporting People budget by £4 million from 1st April 2015, of which it is proposed to save £2 million from older people's sheltered housing.

This document outlines our proposed approach to commissioning sheltered housing and community alarm services in the future and will be shared with organisations delivering services and other stakeholders. Feedback will be sought over the coming months. In addition, we will be asking landlords/support providers to consult with the people who use their services and feedback any responses to the County Council.

In order to assist with this process, we will be developing some key messages for tenants regarding the savings and future proposed arrangements.

Whilst recognising that a few services offer support to individuals who are not their tenants, we have decided to use the term tenant throughout the document to refer to all service users.

BACKGROUND

CURRENT OLDER PEOPLE'S PROVISION

Over 17000 older people across Lancashire are in receipt of sheltered housing or community alarms commissioned through the Supporting People Partnership. Around 12,000 people are eligible for financial assistance from the County Council and 5,000 are required to pay the support charge direct to the landlord/provider. There are 25 sheltered housing providers comprising a mixture of local providers with a large number of schemes located in one district and national providers with a small number of schemes in either one or a number districts. The current budget for sheltered housing and community alarms is around £4.5 million

KEY FEATURES OF SERVICES

- Sheltered housing schemes consist of a number properties (bungalow, flat or bedsit) and, in most schemes, communal facilities
- Sheltered housing schemes all have a 24 hour alarm service and a scheme manager/support worker who will visit the scheme to make contact with individuals, to provide support or to arrange communal activities
- Domiciliary care is not provided as part of the sheltered housing service, although individuals may have their own package of care. This is in contrast to Extra Care where domiciliary care is generally available 24 hours per day
- Sheltered housing is available to older single people or couples.
- The individual landlord will determine the minimum age range, but this is usually around 60 years plus
- Most sheltered housing providers have criteria for accessing sheltered housing provision such as a housing support need and other additional needs which are often related to health needs
- When scheme managers are not on site, sheltered housing residents have access to alarm services which they can use in the case of an emergency

- There are 2 main types of alarm, hardwired systems and dispersed units, which can be provided in any home, but usually depend upon a telephone landline being in situ. The community alarm system, the door entry system and the smoke alarms will often be delivered through an integrated system
- For many older people having access to a community alarm 24 hours a day, 365 days a year can serve to increase their feeling of safety and security.
- Most sheltered housing funded by the County Council is within social rented housing

ROLE OF SHELTERED HOUSING

Sheltered housing is a preventative service which aims to promote independence and well-being.

The benefits include:

- reduction in social isolation and loneliness;
- improvements to physical and mental health;
- prevention of accidents;
- support to access more intensive services as and when needed.

SHELTERED HOUSING AS A COMMUNITY HUB

Many sheltered housing schemes have the capacity to offer a local hub which can facilitate community links and encourage mutual support amongst the elderly population (for those living in sheltered housing as well as those who don't), thereby serving to reduce loneliness and social isolation and improve older people's quality of life

SAVINGS PROPOSAL

The County Council is proposing to reduce spending on sheltered housing and community alarm services by £2 million, from £4.5 million to £2.5million. This will have an impact on 12000 people who receive financial assistance from the County Council.

There is no statutory requirement to fund sheltered housing. They are preventative services which seek to promote health and well-being. Whilst it is proposed that the level of funding allocated to providers will in the future be based on a transparent formula, this has not been the case historically. Therefore the impact of the savings on providers will vary. The average reduction (median) in funding is 44.98% and the changes range from an increase in funding of 50.87% (although this only represents £4.7k as the original contract was small) to a 64.38% reduction (£235K). The largest reduction would be £309k which is a 55.42% reduction

Whilst we know the level of reduction in funding to individual providers, we do not know what the impact will be on individuals as:

- currently there are different funding models with Supporting People funding representing different apportionments of staff costs

- it is unclear as to how organisations will decide to respond to the proposals e.g. reconfigure with a greater emphasis on housing management and seek additional housing benefit, charge tenants, reduce costs, explore increased use of technology or subsidise some of the costs

Asset Based Approaches

Lancashire County Council is committed to developing asset based approaches to working with communities

The overall goal of the adoption of community assets approaches into public services in Lancashire is to enable communities use their skills, strengths and capacity to build stronger, confident and resilient neighbourhoods. It is anticipated that assets-based approaches will lead to the following improvements:

- Increased social connectedness
- Increased participation in community life
- Increased perceptions that people can call on friends and neighbours to help out in a crisis
- Increased satisfaction with the local environment
- More people feel they are able to make decisions about their lives
- Increased mental wellbeing
- Improved physical health
- Increased self-reliance
- Reduced need and demand for public services

We would therefore seek to explore how asset based approaches may be able to mitigate the effect of the reduction in funding as outlined above.

PROPOSED APPROACH TO COMMISSIONING SERVICES IN THE FUTURE

Discussions were held with landlords/support providers in October 2013 regarding the most appropriate response to the proposed reduction in funding. The proposal reflects the outcome of those discussions.

KEY PRINCIPLES

- Establish a transparent and clear approach to commissioning and contracting which, once in place, could be used in the future to respond to any further adjustments in funding levels
- Ensure greater consistency in terms of the funding being allocated to individual services as current funding reflects historical funding patterns.
- Enable flexibility within a provider market which comprises organisations of different size and geographical presence (local or national)
- Minimise administration and transaction costs.

- Provide flexibility to deliver a hub and spoke service model. (see definition below)

PROCUREMENT

It is proposed that contracts for services are directly awarded from the supporting people framework agreement and are **not** subject to mini competition.

TYPE OF CONTRACTS

Current

The current contracts specify a maximum contract value, a maximum service capacity expressed in units, the number of hours of deliverable staff time, alarm weekly unit cost and hourly rates. These values include support for both people receiving financial assistance from the County Council and individual who are required to pay the support charge.

Future

Future contracts will define the contract value and the outcomes to be delivered by the service. Hourly rates, number of units and numbers of hours will not be included in the contract

Support and the community alarms will not be separately specified, therefore the provider can choose, in conjunction with their tenants, to fund the cost of community alarms or support or both

FUNDING LEVELS

In order to calculate contract values, we are proposing to divide the total amount of funding available in Lancashire by the total number of people who are eligible for financial assistance in Lancashire. This has generated annual figures of £253.27 per sheltered housing tenant and £78.21 per recipient of a community alarm service with no planned support. We have based our figures on people in payment in Feb/March 2014. We will notify providers as to proposed contract values based on this methodology towards the end of July 2014

ELIGIBILITY, ASSESSMENT AND OUTCOMES

It is envisaged that the level of support being delivered to individuals will be flexible and will be targeted at those people in greatest need of support. Providers will be required to demonstrate the achievement of a set of common outcomes which will be contained within contracts. The outcomes will be developed in partnership with landlords/support providers.

Work has previously been undertaken by the Supporting People Team and providers in relation to developing a common set of assessment principles and a menu of support options. Given the level of reduction in funding, these tools may no longer be appropriate. It is proposed that the Supporting People Team and landlords work together to review the relevance of these tools and to share experience, ideas and learning which will assist organisations to respond to the funding reductions.

CHARGING

Historically, any Supporting People service which is long term in nature (i.e. can be received for over two years) has been chargeable. People who are in receipt of housing benefits are passported for financial assistance from the County Council. The financial checks are undertaken by the County Council.

Given the proposed significant reduction in funding, it is recognised that providers are likely to meet the shortfall through a range of approaches which may include reconfiguring services to focus more on housing management and less on support, introducing charges, reducing costs, subsidising services.

As a result of the likely range of responses, the variation in the profile of tenants in individual services and the need to be able to provide a very flexible support service, it is considered to be impractical to seek to a common charging policy

We are therefore proposing that providers, in conjunction with tenants, are able to determine their own approach to allocating funding and charging

It is recognised that this proposal could lead to providers within one geographical area having different approaches to charging. Therefore, it is important that landlords/support providers implement a robust consultation process prior to deciding on the approach to be adopted.

HUB AND SPOKE MODEL

Support for people not living in sheltered accommodation

Providers will no longer be tied to delivering support within defined properties as we wish to promote the delivery of a hub and spoke model whereby people in the local neighbourhoods would be able to access support and attend activities in the sheltered housing scheme, thereby reducing isolation and promoting links between the sheltered housing schemes and the community. Support can be offered to local people who are owner occupiers or tenants (private sector and social landlords).

However, given the reduction in funding, it is recognised that there cannot be the same focus, or expectation, in terms of promoting the hub and spoke model of service delivery as had been envisaged prior to the announcements of the budget reduction. Consequently, it is assumed that given the more limited offer of support to people not living in sheltered housing, a common marketing approach, as discussed during previous consultations, will no longer be required.

For those providers who wish to offer support to people not living in sheltered housing, there will be the need to balance the demand from people living within the schemes with the desire to support individuals in the local community. The greatest risk expressed by providers in the previous consultation related to new tenant moving into sheltered scheme and there being no available support capacity owing to the number of people assisted in the local community.

Use of Communal Facilities

It is hoped that, as already happens in many schemes, service providers can promote use of their communal resources to individuals from the neighbouring area and that existing tenants will, in general, accept the proposals. We recognise that this can be a sensitive and time consuming issue and that services may need to consider a range of options e.g. a small charge to non-tenants in order to access the communal facilities (e.g. coffee mornings, activity groups, etc.)

OUT OF HOURS

Currently the provision of an out of hours visiting response service is variable. As we do not intend to define the exact nature of the service to be delivered, it will be for tenants to determine if an out of hours of service is required. We intend to monitor activity over coming months to help commissioners and landlords to identify the level of need for this type of provision and consider the options available.

MONITORING

Whilst we are seeking to develop a contract specification which is as flexible and outcome focussed as possible, there will still be a requirement to demonstrate value for money and to ensure that services are safe. Consequently it is proposed that the County Council and landlords/support providers jointly develop a proportionate monitoring process which can benefit both landlords/support providers and the County Council.

CONSULTATION WITH TENANTS

Given the number of organisations and range of business models that service providers will be implementing, it is proposed that providers' consult directly with tenants regarding the proposed changes and feedback the responses to the Supporting People Team. A document outlining key messages for tenants will be developed

NEXT STEPS

- Seek Cabinet Member approval to consult
- Supporting People Team to undertake a three month consultation with providers regarding the proposals
- Service providers to consult with their own tenants about proposed changes and feedback to the Supporting People team by the end of October
- Seek Cabinet Member approval to final recommendation following receipt of consultation feedback
- Issue a direct award to current providers on the Supporting People Framework Agreement.
- Implementation of the changes to take place in April 2015
- It is intended that Supporting People will work with providers and other key stakeholders to develop the new set of outcomes for use with older people services.