

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Housing Portfolio Holder

16 November 2011

**AUTHOR/S:** Executive Director of Operational Services / Corporate Manager, Affordable Homes

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### SHELTERED HOUSING REVIEW UPDATE

#### **Purpose**

1. To provide the Housing Portfolio Holder with an update on the review of the sheltered housing service.
2. This is not a key decision but relates to key decisions to be made later in 2011/12 as listed at **Appendix A**.

#### **Recommendations**

3. That the Housing Portfolio Holder notes the report.

#### **Background**

4. The housing support element of the Council's sheltered housing service is funded by Supporting People. Supporting People is a national scheme and is administered as part of Cambridgeshire County Council's budget by the County's Supporting People Team (SPT).
5. The Council's contract for the sheltered housing support service runs out in March 2012.
6. The County Council needs to reduce spending on its Supporting People budget and has therefore embarked upon a series of projects to identify where reductions can be made. As part of this process, negotiations on the future level of funding of the sheltered housing contract commenced between the Council and the SPT in November 2010.
7. The Housing Portfolio Holder agreed in January 2010 that the future options for the sheltered housing service would be considered by a member led Task & Finish group. It was also agreed that a survey of sheltered housing residents' housing support needs should be undertaken.
8. A task and finish group that also included tenant representatives from the Sheltered Housing Forums was subsequently set up by the Scrutiny Committee in July 2011.
9. A full housing support needs survey was carried out with all residents during 2011 and the results reported to the Scrutiny Task and Finish group in July 2011.

#### **Considerations**

10. Supporting People announced in March 2011 that they would be undertaking a competitive tender of the sheltered housing support contract rather than continue with the negotiations that had started in November 2010.

11. The contract was due to be tendered in time for an April 2012 start but after representation by the Council and the Scrutiny Task and Finish Group it was agreed that the existing contract could be extended for 12 months. This would allow further time for the work of the Task and Finish group to be completed before the procurement process was started so as to help inform the precise nature of the tender.
12. It is therefore expected that the procurement process will commence in July 2012 with the new contract to start from April 2013. These dates have not yet been confirmed by the County Council.
13. In addition the SPT have asked all providers of sheltered housing support in the County to accept a reduction in the grant available of around 35% effective from April 2012. This has yet to be confirmed in writing.
14. The Scrutiny Task and Finish Group has been pressing the case for continuing to invest in sheltered housing support, arguing that the service prevents older people from needing more expensive forms of care provided by the County Council.
15. A cut of this scale requires a reduction in overall staffing numbers, which in turn requires reconsideration of the structure of the service. The timing of the cuts means that this now needs to be agreed and timetabled before the contract tender process is commenced.
16. The timetable in **Appendix A** therefore sets out the decisions needed both for the long term proposals for the sheltered housing service and the short term arrangements needed to prepare for the reduction of funding in 2012/13.

### Options

17. A potential service delivery model has been worked up by the Task and Finish group and will be the subject of a series of consultation events with residents and staff during November.
18. The Task & Finish group will consider the feedback from this consultation and will report its findings and recommendations to Senior Management Team in December and, the Housing PFH in January and the Scrutiny Committee and the Cabinet in February 2012. This report will set out the options and recommendations for the PFH to consider. **Appendix A** sets out the timeline for completion of this work.

### Implications

19. Financial	<p>The proposed reduction in funding has the effect of reducing the income to the sheltered housing service by around 50%. This is a combined effect of a drop in grant and the subsequent loss of fee income from self funding residents.</p> <p>Any redundancies will also have a financial cost to the Council.</p>
Legal	<p>The redundancy process will need to comply with employment law.</p>

Staffing	The potential reduction in funding cannot be met without a reduction in the staff team who deliver the sheltered housing service. As this means potential redundancies a formal consultation process will begin in November subject to confirmation of the funding reduction. A report detailing the precise recommendations for redundancies and staffing restructuring will be presented to the Housing Portfolio Holder in January 2012.
Risk Management	The staff restructuring will need to be carried out in accordance with employment law. There are also risks to the sustainability of the service to the residents. There is a risk that the Council will lose the sheltered housing support contract to an external provider when the competitive tender is run.
Equality and Diversity	An Equality Impact Assessment will be carried out on the final proposal.
Equality Impact Assessment completed	No
	NA
Climate Change	None

### Consultations

20. Sheltered housing residents and staff are being consulted on the proposed changes during November 2011. Formal consultation on potential redundancy will also commence in November in order that statutory timeframes are adhered to. Further formal consultation will take place with tenants and staff in February.

### Consultations with Children & Young People

21. None

### Effect on Strategic Aims

22. The sheltered housing service plays an important role in ensuring that South Cambridgeshire continues to be a safe and healthy place for all by maintaining the health and safety and wellbeing of around 1,500 elderly residents in the district.

### Conclusions / Summary

23. This report sets out the context of the work of the Scrutiny Task and Finish group which was set up to review the service delivery structure of the Council's sheltered housing service. It also identifies a number of fresh challenges that the Council must address as a result of the decisions by the County Council to put the contract out to competitive tender and to reduce the amount of grant payable from 2012.
24. The Council is still waiting formal confirmation of the procurement timetable and the decision to reduce funding from April 2012.
25. **Background Papers:** the following background papers were used in the preparation of this report:

None

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**Sheltered Housing Review Timetable**

November 2011	Consultation events	Sheltered Housing Forums and staff
14 November 2011	Task & Finish Group	Review of consultation findings and discussion of options for future service
16 November 2011	Housing Portfolio Holder Meeting	Update report on progress with project and review of timelines
Mid November 2011	Formal redundancy consultation begins	Start of formal staff consultation to ensure that statutory time limits can be met before April 2012, if required.
Mid December 2011	Formal redundancy consultation end	Two-week period to allow review of feedback from staff
Late December 2011	Task & Finish Group	Agreement on draft final recommendations
Late December 2011	SMT input	Consideration of Task and Finish group's draft recommendations and implications of staff restructuring report
31 December 2011	At Risk of Redundancy Notice to staff	Formal letters to be sent to all relevant staff
18 January 2012	SMT	Draft final report
18 January 2012	Housing Portfolio Holder	Staff restructuring report to include reference to potential sheltered housing redundancies.  Sheltered Housing report to seek approval of PFH for proposed changes to sheltered housing service structure.
6 February 2012	Scrutiny Committee	Consideration of Scrutiny Task & Finish group's final report
9 February 2012	Cabinet	Presentation of Scrutiny Task & Finish group's report with draft response  Consideration of Affordable Homes staff restructuring proposals from Housing PFH
February – March 2012	Corporate Manager Affordable Homes	Completion of work required to restructure service including where necessary redundancies
31 March 2012	Redundancy effected	
April 2012	Corporate Manager Affordable Homes	Start of new sheltered housing service structure
May – June 2012	SPT	Consultation on outcome of Task & Finish group work and preparation for tender process
July 2012	SPT	Anticipated start of tender process
December 2012	SPT	Conclusion of tender process and contract award
January – March 2013	Corporate Manager Affordable Homes	Mobilisation phase for new contract including TUPE if required.
April 2013		Start of new contract