

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Leader and Cabinet 14 January 2010  
**AUTHOR/S:** Executive Director, Operational Services / Corporate  
Manger Affordable Homes

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### AFFORDABLE HOMES SHELTERED HOUSING RESTRUCTURE

#### Purpose

1. To seek Cabinet approval to recommend to Council the revised restructuring proposals for the Sheltered Housing service.
2. This is a key decision because:
  - (a) it is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; and
  - (b) it is likely to be significant in terms of its effects on communities living or working in an area of the District comprising two or more wards.

#### Background

3. The Housing Futures project identified that the option to retain council homes under the ownership of South Cambridgeshire District Council would require current service levels to be reviewed and cuts to be made. This was made clear in the formal Offer Document issued to tenants prior to the ballot and examples of likely reductions in services, improvements, repairs and staffing were listed to enable tenants to make an informed choice.
4. The required reduction in the Housing Revenue Account (HRA) expenditure by 2011/12 is estimated to be up to £500,000. The need to account for a net reduction in income associated with the Supporting People (SP) regime will require further savings of up to £300,000. An explanation of the relationship between sheltered housing and Supporting People is provided in **Appendix A**. The total net savings required therefore is expected to be up to £800,000; this will enable the working balance of the HRA to be sustained at £2M, which is considered to be the minimum prudent level.
5. The Council received notice of the draft HRA Determination for 2010/11 in December 2009. Subject to further detailed analysis and the final Determination notice expected in March 2010, this would appear to be broadly financially neutral for the Council.
6. In the 2009/10 estimates there is a 'cross subsidy' from the HRA to the sheltered housing service of around £620,000. In order to achieve the overall savings required within the HRA, this subsidy needs to be reduced significantly.
7. The salary cost of the current structure of the sheltered housing service is £1,250,000 per year. The cost of the proposed new structure as set out in this report would be £940,000 per year. This provides for a total saving of £310,000 of which £290,000 is for the HRA and £20,000 for the General Fund. The net contribution from the HRA to sheltered housing after the changes are fully implemented will be around £360,000 pa.

## Considerations

8. On 12 November 2009, Cabinet agreed the restructuring proposals for the sheltered housing service. A report went on to full Council on 26 November 2009 to see authority for the Chief Executive to meet any subsequent redundancy costs that were outside of the budget.
9. At full Council on 26 November this authority was not approved. A wide-ranging debate was held during which concerns were expressed about the impact of the proposed savings on the sheltered housing service.
10. In response to the concerns of Members and tenants about the capacity of the service to meet the needs of sheltered housing residents in the future, the restructuring proposal has been revised and now includes the retention of three extra staff to provide front line sheltered housing services.
11. Since the November report the Council has also received the draft HRA Determination for 2010/11 and this has been taken into account when reviewing the staffing level of the new structure.
12. Concern was also expressed by the trade unions that some staff pensions might be adversely affected if redundancies were to take place after 31 March 2010. The proposal has therefore been revised to allow for earlier redundancies where this is appropriate.

## Options

13. The proposal agreed by Cabinet in November 2009 was for two teams of eight officers providing the visiting support service. It is now proposed to increase the staffing by three posts, which will allow the Council to have one team of nine and one team of ten. This reflects slight differences in size between the areas that the two teams cover and will enable a rota to be set up to so that one supported housing officer in each team will be able to respond to alarm calls between 9am and 5pm whilst the remaining officers attend to their home visits.
14. In total it is proposed therefore to delete 44 posts from the establishment, primarily sheltered housing officers, and replace with 28 new posts including 19 supported housing officers. Initially 37 employees will be placed at risk of redundancy. These numbers differ slightly from those in the November 2009 report to Cabinet as they have been recalibrated to take account of subsequent staff turnover and the proposed inclusion of three extra staff within the retained service.
15. The final number of redundancies is not expected to exceed nine. It is hoped that all of these might be voluntary.
16. In order to ensure that the impacts of the changes are monitored as they are introduced, it is proposed that there is a six month implementation phase to include the following:

### Sheltered Housing Phasing Timetable

Phase	Dates	Theme
1	January - March 2009/10	Staff consultation and redundancy selection process. Inaugural meeting of the member task and finish

		group.
2	April - September 2010	<p>Carry out needs assessment of all residents.</p> <p>Member and officer task and finish group to consider the impact of the proposed changes.</p> <p>Interim service delivery stage with some staff providing sheltered housing service whilst new flexible support teams begin to carry out visits to those identified as being in need.</p> <p>Analysis of resident needs survey and facilities review to draw up clear strategy for how services to older people will be delivered by Council and partners over next five years. This will include deployment of flexible support teams as well as identification of extra care needs.</p>
3	October 2010	<p>Launch of new working arrangements.</p> <p>Full deployment of new working arrangements with reduced staff base.</p>

### Implications

17.	Financial	<p>The key financial implications are set out in the main body of the report. The reduction to the Staffing Establishment will incur redundancy and early retirement costs and pay in lieu of notice, which will initially offset the gross savings. It is not possible to be precise about the amount required until individual posts and employees have been identified for this purpose.</p> <p>It is in the interests of some staff to bring forward the redundancy date to the 2009/10 financial year. This will allow certain staff to avoid a detrimental change in their pension entitlements that will apply after 1 April 2010.</p> <p>The cost of redundancies and early retirements is not likely to exceed £250,000.</p>
	Legal	<p>The power to carry out duties relating to the employment and terms and conditions of staff is a non-executive function under the terms of the Local Authorities (Functions and Responsibilities) (England) Regulations 2001, which cannot be exercised by the Cabinet. The Chief Executive has full delegated power within the constitution for all matters relating to the Staffing Establishment subject to budget.</p> <p>There is no reference to the sheltered housing service within the standard tenancy agreement which would appear to preclude the proposed changes being made. Full regard will be taken to the references to sheltered housing within the differ-</p>

	ent forms of leases.
Staffing	The report proposes significant changes to the staffing structure within Affordable Homes Sheltered Housing Service with the deletion of 44 of posts and the creation of 28 new posts. Proposals in respect of staffing redundancies will be subject to the statutory notification and consultation periods, which will be adhered to.
Risk Management	The new structure will also ensure that the Council is able to maximise the efficiency and effectiveness of its resources. There is a serious risk to the Council if the financial savings required are not achieved. These include: <ul style="list-style-type: none"> <li>• Further reductions in services to tenants beyond those already identified</li> <li>• Adverse judgements from auditors if GF/HRA disciplines are not complied with</li> <li>• Intervention by regulatory authorities.</li> </ul>
Equal Opportunities	Staffing changes need to have regard to equal opportunity issues as do any proposed changes to service delivery.  An Equality Impact Assessment on the changes proposed for the sheltered housing service is currently underway.  Under section 49A(1) of the Disability Discrimination Act 1995, the Council must have regard to the interests of disabled people when carrying out its functions. In the context of the proposals set out in this report, this means that all applicable equality duties must be complied with during the decision-making process, especially where the decision is expected to be contentious. This means complying with the applicable codes of practice and making sure that equality issues play a full role in the process.

### Consultations

18. Tenants and residents were consulted throughout the Housing Futures process on the implications of a vote to retain the ownership of council homes with the Council. Further consultation exercises have been held with residents in the Tenant Participation Group, the Leaseholder Forum and the Sheltered Housing Forums with regard to the proposed changes in sheltered housing.
19. As noted in the report to Cabinet on 12 November 2009, the Council received a petition from 400 sheltered housing residents who were concerned about the changes.
20. There have been a number of staff workshops exploring the issues contained within this report and there have been meetings with the trade unions.
21. Consultation meetings have also been held with Supporting People.

## Effect on Strategic Aims

22.	<b>Commitment to being a listening council, providing first class services accessible to all.</b>
	The proposed changes are designed to maximise efficiency and limit the negative impacts of any cuts. However it is inescapable that the budget available to run the housing service is being reduced and this may have an impact on the Council's ability to offer the highest quality service.
	<b>Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.</b>
	Health & Safety issues will not be compromised by any of the proposed changes
	<b>Commitment to making South Cambridgeshire a place in which residents can feel proud to live.</b>
	N/A
	<b>Commitment to assisting provision for local jobs for all.</b>
	N/A
	<b>Commitment to providing a voice for rural life.</b>
	N/A

## Conclusions / Summary

23. It is proposed to delete 44 current posts and create 28 new posts within the sheltered housing service. There is therefore a net loss of sixteen posts. This represents the retention of three extra front line staff over that specified in the report to Cabinet in November.
24. The phasing timetable allows for member involvement in a task and finish group that will monitor the implementation of the new arrangements.
25. The overall number of staff employed will reduce and there will be a number of staff at risk of redundancy. The final number of redundancies is not expected to exceed nine. It is hoped that all of these might be voluntary.

## Recommendation

26. It is recommended that Cabinet:
- (a) approve the revised restructuring proposals as set out in this report;
  - (b) agree that sympathetic consideration be given to those affected staff seeking redundancy before 31 March 2010, including pay in lieu of notice; and
  - (c) recommend that Council authorises the Chief Executive, in consultation with the Leader of the Council and the Finance and Staffing Portfolio Holder, to approve expenditure, outside the budgetary provision, to meet the costs of any redundancies, early retirements and payment in lieu of notice brought about as a consequence of the restructuring proposals for the Sheltered Housing Service set out in this report.

**Background Papers:** Housing Restructuring report to Cabinet 12/11/09

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