

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE – 13/11/18

Subject:	Commissioning Review – Funding of subsidised alarms in Sheltered / Independent Living Schemes		
Corporate Director(s)/ Director(s):	Catherine Underwood, (Interim) Director for Adult Social Care		
Portfolio Holder(s):	Councillor Jane Urquhart, Portfolio Holder for Housing and Planning Councillor Sam Webster, Portfolio Holder for Adult Social Care and Health		
Report author and contact details:	Dave Miles, Assistive Technology Specialist dave.miles@nottinghamcity.gov.uk 01158764789		
Key Decision	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Subject to call-in	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Reasons: <input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision		<input type="checkbox"/> Revenue <input type="checkbox"/> Capital	
Significant impact on communities living or working in two or more wards in the City		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Total value of the decision: £353,149			
Wards affected: All wards		Date of consultation with Portfolio Holder(s): 25/6/18 and 18/10/18	
Relevant Council Plan Key Theme:			
Strategic Regeneration and Development			<input checked="" type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input checked="" type="checkbox"/>
Community Services			<input type="checkbox"/>
Energy, Sustainability and Customer			<input type="checkbox"/>
Jobs, Growth and Transport			<input type="checkbox"/>
Adults, Health and Community Sector			<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years			<input type="checkbox"/>
Leisure and Culture			<input type="checkbox"/>
Resources and Neighbourhood Regeneration			<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
<p>Nottingham City Council currently commissions the provision of a subsidised alarm service in sheltered accommodation. This costs £243,674 annually and enables a subsidised alarm in approx. 2,800 properties across 8 providers. The current alarm contracts (set up in 2012) were due to end on 31/3/18 but were extended to 31/3/19 to enable a commissioning review of provision to be undertaken.</p> <p>The commissioning review is now complete and has incorporated a citizen (resident) consultation and housing provider engagement. Recommendations have been made as to the continued funding of subsidised alarms from April 2019. The sheltered alarm commissioning review has also been considered in relation to a previous commissioning review of community alarm provision to ensure consistency.</p>			
Exempt information:			
<p>An appendix to the report is exempt from publication under paragraph 5 of Schedule 12A to the Local Government Act 1972 because it Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.</p> <p>Having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because the legal advice relates to the specific steps required to minimise legal risk to the Council of a Judicial Review challenge rather than a simple explanation of the legal framework/context of the decision.</p>			

Recommendation(s):	
1	To approve the funding to Nottingham City Homes to continue to provide a subsidised alarm to their independent living scheme residents on current terms - £176,574 annually. A contract to be awarded, via Teckal, for the period 1/4/19 to 31/3/21.
2	To approve the current contracts with the remaining housing providers expiring on 31 March 2019 following consultation with the providers and residents – a £67,100 saving from the annual budget.
3	To approve dispensation from the provisions of the Contract Procedure Rules 5.1.2, in accordance with Financial Regulation (3.29) for operational reasons.

1 REASONS FOR RECOMMENDATIONS

- 1.1 The current contract for the provision of alarms for citizens living in Nottingham City Homes independent living schemes is provided by Nottingham on Call (NOC) at below cost price. NOC have offered to continue to provide this service at this subsidised level.
- 1.2 There is a further potential for reducing the unit alarm cost to citizens and NCH through fully utilising allowable Housing Benefit payments for this service. Due to the different arrangements within different scheme settings this will be complex to implement without proper planning.
- 1.3 The citizen (resident) consultation and housing provider engagement with the remaining sheltered / independent living provision indicated that the removal of current subsidy would not significantly disadvantage or provide financial hardship to those residents whilst ensuring that the current alarm system would remain in place. The current level of subsidy does not fully fund the alarms service in any of the projects. Whilst some providers indicated that they would pass on a small cost to their tenants, other providers indicated that they would absorb these costs. This affects 800 citizens living in 16 schemes across the City, 320 of which live at Lark Hill ExtraCare village.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The current contracts and subsidy arrangements were established in 2012 with contracts issued to 2015. These contracts, on the same terms, were extended to 2018, and then to 2019 to enable a commissioning review to take place.
- 2.2 The current funding arrangements do not cover all housing providers in the City. Some providers decided in 2012 not to accept funding due to the expected service provision requirements, meaning there currently exists inequity between housing providers and alarm provision.
- 2.3 A commissioning review of dispersed (community) alarm provision in 2017/18 resulted in the introduction of a new eligibility criteria to receive a funded alarm. This saw the level of funding to Nottingham on Call, NCH, reduce significantly with a majority of citizens required to self-fund their alarm service. It is recommended that the current funding arrangements for independent alarm provision is continued.

However Nottingham City Council will work with NCH to explore and utilise the Housing Benefit system to maximise support for residents prior to the end of the new contract period.

- 2.4 The objectives of the Sheltered Alarm Commissioning Review were to clarify commissioning intentions in relation to provision of a sheltered alarm service. The review would consider:-
- The impact and benefits currently being received through the service;
 - The impact on providers should alternative arrangements be considered;
 - The legal and procurement position around re-provision;
 - The inclusion of Glenstone Court and Woodvale sheltered schemes into the service – currently being provided for in the dispersed alarm contract;
 - Setting an alarm subsidy which meets the costs incurred by providers;
 - The potential for alignment of eligibility criteria with dispersed alarms.
- 2.5 The commissioning review included a citizen (resident) consultation. This saw 344 consultation questionnaires received and analysed – a 42% response rate. The consultation sought views on alarm usage, impact of proposals and how they would be affected if a charge was levied.
- 2.6 The conclusions of the consultation are:-
- Nearly 70% of citizens have not used their alarm in an emergency in the last year;
 - Those who did use their alarm in an emergency were almost twice as likely to use once or twice in the year than 3 or more times;
 - Of those who did use their alarm in an emergency a third needed an ambulance or hospital admission;
 - Of the options proposed in the consultation there is no clear preference (although more citizens stated they did not want things to change);
 - Two thirds of citizens do not receive any other support to live independently;
 - Impact on finances is the major concern raised by citizens.
- 2.7 A comparison was made with the consultation responses for the dispersed alarm review. This indicates that those with an alarm but not living in sheltered / independent living schemes were more vulnerable and needed their alarm more. It is recommended that the alarm subsidy arrangement for citizens living in sheltered / independent living schemes should not therefore be more generous than the new arrangements for those not living in these schemes.
- 2.8 The summary of the citizen consultation is at Appendix A.
- 2.9 A level of engagement has been undertaken with those housing providers funded to provide a subsidised alarm service. Unfortunately without huge success. A request for information in May 2018 saw 50% of providers respond. The responses indicated that the current subsidy did not meet the full cost of alarm provision and the remaining costs were met internally. Providers stated that if funded were no longer available it would affect the organisations finances with the need to consider recovering costs from residents.
- 2.10 In August / September 2018 housing providers were given the opportunity to comment on the specific proposals / options being put to citizens however only 3

providers (50%) responded. Whilst not being representative views across all providers one provider indicated they would not pass an alarm charge onto residents whilst another one suggested they would need to charge approx. £1.85 per week.

2.11 The provider responses appear to indicate that if the alarm funding were to cease / be reduced, and the provider were to pass on a charge to residents this should not be more than around £2 per week. The average level of alarm subsidy to providers is £1.74 per citizen per week with providers meeting the other costs of provision.

2.12 The summary of the housing provider engagement is at Appendix B.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 The introduction of an eligibility criteria to retain an alarm subsidy was considered. These were:-

- Be in receipt of social care. 13% of citizens stated they were in receipt of social care. This would indicate 106 citizens would be supported at an annual cost of £9,431. This would realise an annual saving of £57,569.

This option would align sheltered and dispersed alarm eligibility however is not preferred because of the small numbers of citizens it would support, aligned to the potential administration involved.

- Be in receipt of Housing Benefit with the portion of alarm charge not eligible for Housing Benefit covered. 52% of citizens stated that they received Housing Benefit. On average the eligible portion of alarm charge is 40% (although depend on the individual scheme). This would indicate 425 citizens would be supported at an annual cost of £22,689. This would realise an annual saving of £44,311.

This option is not preferred because of the potential administration involved.

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

4.1 It is proposed to direct award the sheltered alarm service contract for a period of two years effective from 01 April 2019 via Teckal arrangements to Nottingham City Homes.

4.1.1 The total cost of this decision is £353,150 and provision for this expenditure is included within the Housing Related Support budget which is incorporated within the Medium Term Financial Plan.

4.1.2 This contract will release a saving on the current contract of £67,100, which has been included in the Council's budget process.

4.1.3 This proposal seeks dispensation from Contract Procedure Rule 5.1.2 in accordance with Financial Regulation 3.29 due to operational issues, and is deemed appropriate in these circumstances.

Advice provided by Hayley Mason (Strategic Finance Business Partner) on 23/10/2018.

4.2 Chief Finance Officers Observations on Dispensation

Dispensation from financial regulation 3.29 and contract procedure rule 5.1.2 is supported in this instance for operational reasons.

The value required under this dispensation is £0.177m on an annual basis and £0.353m for the approval period.

Laura Pattman – Director of Strategic Finance & Chief Finance Officer

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 Procurement Comments

The proposed direct award of a contract to Nottingham City Homes is permitted under the EU Procurement Regulations under the Teckal exemption for in house service delivery. The proposal is considered to offer value for money and there is potential to further reduce costs through use of Housing Benefit. Therefore, dispensation from the provisions of the Contract Procedure Rules 5.1.2, in accordance with Financial Regulation (3.29) (Operational Issues) is supported from a procurement perspective.

Jo Pettifor, Category Manager – Strategy and People, 17th October 2018

5.2 Legal Comments

Advance consideration has been given to the potential impact of any decision and to any equality issues that residents or providers may face, by engaging in a detailed and full consultation process with both providers and residents. Consultation responses have been analysed and presented within the report. Should the decision be to allow the contracts of the 7 providers to expire, and providers choose to pass on costs to residents, steps have been taken to ensure monitoring of those providers going forward and to work with them to minimise any impact. Any decision made now, must be in consideration of the Authority's Public Sector Equality Duty and with due regard being given to the information set out in the EIA.

Raina Mason, Solicitor – Litigation, Legal Services. 18th October 2018

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE (STRATEGIC REGENERATION COMMITTEE REPORTS ONLY)

6.1 N/A

7 SOCIAL VALUE CONSIDERATIONS

7.1 Living in sheltered / independent living schemes supports citizens to maintain and retain a level of independence. An alarm system provides reassurance, and for most is a condition of tenancy. For many citizens the potential to contribute around £2 per week to fund their alarm system would not appear to cause financial hardship. Housing providers would need to consider if they would pass on an alarm cost to their residents, as well as deciding what policies they would adopt for citizens who decline to pay any alarm charge levied.

8 REGARD TO THE NHS CONSTITUTION

8.1 N/A

9 EQUALITY IMPACT ASSESSMENT (EIA)

9.1 Has the equality impact of the proposals in this report been assessed?

No

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An EIA is not required because:

(Please explain why an EIA is not necessary)

Yes

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Attached as Appendix C, and due regard will be given to any implications identified in it.

**10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT
(NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT
INFORMATION)**

10.1 None

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 None