

REPORT

By: Caroline Highwood - Director Resources, Kent Adult Social Services

To: Supporting People in Kent Commissioning Body

18 December 2008

Subject: **Sheltered Housing Differential Unit rates**

Classification: **Unrestricted**

For Decision

Summary: **This report gives information in relation to rewarding sheltered housing services differential unit rates dependant on their Quality Assessment Framework grading**

1.0 Introduction

1.1 The Kent Supporting People Programme undertook a review of older people's services in 2006. As a result of part of that review the Programme has undertaken a benchmarking exercise to identify an appropriate weekly rate for community alarms and separately for housing related support within sheltered accommodation.

2.0 Context

2.2 The outcome of the review was that in those services, alarms and housing related support should be split by cost, contract schedule and specification. The Supporting People Commissioning Body in Kent agreed a rate of £1.50 per unit per week for the provision of community alarms within sheltered services.

2.3 The Kent Supporting People Programme has undertaken work to identify a benchmarked unit rate for the provision of housing related support within sheltered services.

3.0 Benchmarking Exercise

- 3.1 The benchmarking exercise evaluated the weekly rate for 51 services providing housing related support. The evaluation took place on the basis that all costs relating to alarms had been excluded. This was achieved by visiting providers to establish whether their services were housing related support or alarms.
- 3.2 In addition the process has identified several services that needed to be terminated for the following reasons;
- contract assignment (where the provider no longer wishes to be part of the Programme, and agrees nominate and give that contract to another provider).
 - decanted services (where a service is being decommissioned or closed by the landlord either permanently or temporarily, and residents have been moved out).
 - providers leaving the Programme of their own volition.
- 3.3 The process of visiting providers also resolved anomalies in relation to unit numbers or unit rates. Several services will be remodelled to better reflect the nature of the housing related support being delivered. The Programme is continuing to work with the relevant providers to resolve these issues.
- 3.4 The average weekly rate for the 51 providers was initially established as being £10.11.
- 3.5 The above actions have led to the removal of 10 services from the benchmarking exercise. This has left 41 services for consideration. As a result the average weekly rate moved to a value of £10.24.
- 3.6 Several providers have indicated that they are unlikely to accept the increased rate offered and will be accepting a proportion of the identified benchmarked figure. This refusal to accept the higher rate is in relation to the way some national organisations apportion costs. Other providers are unhappy with the original bench-marked rate indicating that it will not cover their costs of delivering housing related support to older people.

4.0 Differential Rates

- 4.1 At a recent meeting with the Emerging Role of Sheltered Housing (ERoSH), group members requested that differential rates be applied to the unit rates for sheltered housing services on the basis of the outcome of their Quality Assessment Framework grade.

- 4.2 Members of the group considered that there was little value in striving to become an 'A' grade service if the unit rate was the same as a service who had achieved a 'C' grade.
- 4.3 The Supporting People team have worked up an illustration of a differential rate that reflects this request;
- £10.24 'C' grades
 - £11.24 'B' grades
 - £12.24 'A' grades
- 4.4 The Kent Supporting People Programme has encouraged continual improvement since the inception of the Programme and many services have improved their grading against the quality assessment.

5.0 Impact on the Programme

- 5.1 Should the Supporting People in Kent Commissioning Body agree that differential rates should apply to services dependant on their grading against the Quality Assessment Framework, the Supporting People Programme will need to undertake a similar benchmarking exercise to enable differential rates to be paid to all services.
- 5.2 This benchmarking could form an element of the forthcoming Strategic Review of Investment.

6.0 Equality Impact Assessment

- 6.1 An initial screening of this recommendation indicates that equality impact is low.

7.0 Financial Impact Assessment

- 7.1 The Supporting People Programme has yet to receive final agreement from a small number of providers in relation to the unit rate they will accept for sheltered services. The rate that will be accepted by these providers is expected to be lower than the proposed rate. The financial impact assessment is based on the position as at 26 November 08.
- 7.2 Value of Older Person contracts at start of process as at 15 April 08 £4.9 million
- Value of Older Persons services 2008/09 backdated at a cost of £10.11
£4.9 million

- Value of contracts if housing related support is benchmarked at £10.24 and alarms at £1.50 as at 1 April 09
£4.7 million
- Value of revised contracts if differential rates are applied
£5.2 million
- The cost variance to the Programme of the proposal
£506,000

7.3 The Commissioning Body committed an additional £360,000 to the funding of sheltered services within the 5-year forecast for 2008/09, the differential in funding would require a further £146,000.

8.0 Conclusions

8.1 As a result of splitting the costs of alarms from the total costs it was found necessary to resolve the residual support costs in sheltered housing. It is recommended that this should be a standard rate, which could be varied to reflect the quality of services.

8.2 Providers of sheltered services in Kent have requested differential rates to reflect the continuous improvement in services related to the Quality Assessment Framework.

8.3 The Supporting People team has undertaken an illustration of different rates to reflect A, B and C grades.

8.4 The financial illustration is dependent on resolving discussions relating to final unit rates with several providers. However the differential will be small.

9.0 Recommendation

9.1 The members of the Commissioning Body are asked to agree that

- Housing related support for older people should be paid at differential rates that reflect the quality assessment framework grade.
- The benchmarking exercise is repeated for all remaining services within the Strategic Review of Assessment as part of the next Five-Year strategy.

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Background Information:

Commissioning Body June 2008 Unit Cost of Community Alarms