

This Report will be made public on 7 November 2023

Report Number **C/23/54**

To: Cabinet
Date: 15 November 2023
Status: Non-Key Decision
Responsible Officer: Gill Butler, Chief Officer – Housing
Cabinet Member: Councillor Rebecca Shoob, Cabinet Member for Housing and Homelessness

SUBJECT: TELECARE REPLACEMENT IN COUNCIL
INDEPENDENT LIVING (SHELTERED HOUSING) -
SERVICE CHARGE COSTS

SUMMARY:

In response to all analogue telephone systems being switched off by 2025, the council's housing service has instigated a project to commence decommissioning the analogue hardwired telecare (Lifeline) equipment in the 631 Independent Living properties and 405 'age designated' housing properties.

Procurement is underway for a replacement hybrid IP digital telecare solution for the 14 independent living schemes, and tenants in the age designated properties will be offered dispersed Lifeline units as an alternative solution.

This will have an impact on the service charge element for those tenants living in such accommodation, and any subsidies tenants have previously been receiving.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below in order to ensure that the council recovers the full costs incurred in providing tenants with a digital Lifeline service.

RECOMMENDATIONS:

1. To receive and note report C/23/54.
2. To commence consultation with affected tenants to increase their service charge for the Lifeline service for the 2024/25 rent year, subject to approval by Cabinet and Council in February 2024 as part of the budget setting process.

1. BACKGROUND

- 1.1 The council housing service has a total of 631 independent living properties across 14 traditional schemes and 9 “satellite” sites attached to them. This equates to 18% of our housing stock. The housing service also has 405 ‘age designated’ properties. These were previously classed as “semi-sheltered” until September 2022 when they were transferred into the general needs stock following a review; these units equate to a further 12% of our stock. These homes are mainly occupied by tenants over 55 years old or those with mobility issues / specific vulnerabilities.
- 1.2 As a social housing landlord, the council has a responsibility to ensure the health, safety and wellbeing of our tenants, and telecare systems are widely used across the sector to help with this.
- 1.3 All our independent living properties currently have a hardwired telecare (lifeline) system, which allows tenants to call through if they need assistance and these calls are responded to by the council’s Lifeline 365 service. Each flat or bedsit typically has a speech unit, plus emergency pull cords installed in each room. The Independent Living Officers’ (ILO) offices also have a speech unit which allows the ILOs to call through to tenants in that scheme and to other schemes in close geographical proximity (although this is not currently possible at all schemes). The ILOs use this functionality to carry out regular welfare calls to tenants who have requested them.
- 1.4 Historically, all our ‘age designated’ properties also had a hardwired system although many have been confirmed as beyond repair and the system has had to be switched off in 331 of the 405 properties. In these cases, tenants have been offered dispersed Lifeline units as an alternative; these work in much the same way but they are not hardwired and do not have pull cords associated with them. Many residents in these types of properties have indicated to us that they do not need a Lifeline service.
- 1.5 The technology used to support telecare systems across the country has remained largely unchanged for the last 40 years. The traditional telecare network relies on analogue voice calls over a Public Switched Telephone Network (PSTN). As technology has evolved and digital services are becoming more widely used, the PSTN network has become expensive to update and maintain. Openreach will therefore be switching off the analogue telephone systems in 2025 and as such, existing systems need to be replaced with a solution to allow them to operate over a digital network. As part of the 2023/24 budget setting process, in February 2023 Cabinet approved a budget of £619,000 per annum for 2023/24 and 2024/25 to fund a replacement system and procurement is underway to identify a suitable, experienced supplier.
- 1.6 In both the independent living and age designated properties, tenants with a working Lifeline (either hardwired or dispersed) are charged £1.08 per week (2023/24) on their rent account for the service.

- 1.7 Until recently, around half of the tenants who have a Lifeline had this £1.08 credited back onto their rent account, effectively cancelling out the charge. This was a historic subsidised arrangement dating back to 2018 when, following the cessation of Supporting People funding from Kent County Council and changes to Housing Benefit regulations, it was agreed that the Housing Revenue Account (HRA) would rebate the charge. It is unclear how long this arrangement was intended to last but it appears that this should only have been for a transitional period of two years, to April 2020. In practice, this continued until 2023.
- 1.8 Tenants who were receiving the £1.08 credit were therefore written to in August 2023, advising them that in the interests of fairness and transparency to all tenants, the credit would be removed from their rent account from 11 September 2023, to ensure that all tenants are being charged the same for the Lifeline service. Tenants in independent living already pay a low rent, the average 2023/24 rent charge being £78.97, well below the local housing allowance rate of £100.11 per week for one bedroom accommodation.
- 1.9 However, even after removing the rebate, levying the £1.08 per week charge on all tenants does not recover the full cost to the council of providing the Lifeline service. The current actual cost of providing the hardwired service is £2.93 per week and the current cost of a dispersed unit is £3.58 per week, although the latter charge is proposed to increase to £3.87 per week as part of the 2024/25 budget setting process.
- 1.10 Based on the total costs incurred in providing Lifeline services to tenants and the number of tenants who were or were not receiving the rebate, the annual subsidy to the HRA for the Lifeline service equates to £94,403 per annum for 2023/24, which is clearly unsustainable.
- 1.11 It is therefore proposed to increase the charge levied on tenants for the 2024/25 rent year, to £2.93 per week for tenants with a hardwired Lifeline (all independent living schemes) and £3.87 per week for those with a dispersed unit (which currently affects 90 tenants in 'age designated' properties).

The table below shows 2023/24 income to the HRA for the Lifeline service, and projected 2024/25 income following the proposed change:

	2023/24 income	2024/25 projected income
Independent living lifelines	£15,336.00	£84,237.50
Age designated lifelines	£10,962.00	£17,415.00
TOTAL	£26,298.00	£101,652.50

2. CONSULTATION

- 2.1 Following consultation with the Cabinet Member for Housing and Homelessness, the Chair of the Strategic Tenant Advisory Panel and the Chair of the Independent Living Forum, all tenants who were receiving the credit were contacted in August 2023 to advise them that it would be removed in September 2023.

- 2.2 Therefore, if Cabinet approves the recommendations in this report, a further consultation will take place with all tenants who have a Lifeline service, seeking their views on the proposal to increase the charges for 2024/25 to £2.93 per week for those with a hardwired system and £3.87 per week for those with a dispersed unit. Following consultation, the proposals will be updated and reported to Cabinet and Council for approval in February 2024 as part of the 2024/25 budget setting process.
- 2.3 Once a new hybrid hardwired telecare system has been procured and is installed in 2024/25, it is proposed that the full cost of the new service is charged to tenants from 2025/26 in order to improve the sustainability of the HRA. The cost of the new system will not be known until a supplier has been procured, but depending on the replacement system that is selected, there may be scope for some of the costs to be covered by the Intensive Housing Management Charge levied on independent living tenants, which is eligible for Housing Benefit. This proposal would be subject to tenant consultation during 2024/25 (by which time the costs of the new system will be known) and subject to consideration by Cabinet and Council as part of the 2025/26 budget setting process.

3. OPTIONS CONSIDERED

3.1 Option 1: Consult affected tenants on the proposal to increase the service charge for the Lifeline service for the 2024/25 rent year (recommended option)

This is the recommended option as the council is not currently recovering the full cost of providing the Lifeline service. It is important that tenants' views are sought on the proposal so that the impact on them can be fully considered before a decision is made on whether to apply the increase.

3.2 Option 2: Apply the proposed new charge without consulting affected tenants

This option is not recommended as tenants would not be able to express their views on the proposed increase prior to it being implemented. This could damage trust between tenants and the council.

3.3. Option 3: Maintain the current level of service charge

This option is not recommended as the council is not currently recovering the full cost of providing the Lifeline service and the ongoing subsidy to the HRA is unsustainable.

4. RISK MANAGEMENT ISSUES

- 4.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Tenants object to the proposed new charge	Medium	High	The consultation will clearly set out why the increase is being proposed and what it means for tenants. The very fact of carrying out a consultation will ensure tenants' views are considered before a final decision is made.
Tenants are unable to afford the proposed new charge	Medium	High	<p>The proposed increase is minimal (a maximum increase of £2.79 per week) but it is recognised that many of our tenants are on low incomes.</p> <p>Our Income team will work closely with tenants to help them maximise their income and prevent them falling into arrears.</p> <p>When the new Lifeline system is introduced in 2025/26, it is possible that elements of the service may be able to be funded via Housing Benefit.</p>

5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's Comments (NM)

There are no legal implications arising directly from this report.

5.2 Finance Officer's Comments (ST)

All necessary financial & budgetary information together with any implications are included within the body of this report.

5.3 Diversities and Equalities Implications (MB)

There are no equalities implications arising directly from this report. Replacing the telecare system will enhance our most vulnerable tenants' ability to stay safe and live independently for longer. A new system may

also offer the ability for tenants to become more digitally enabled and/or to contact each other, thus reducing social isolation.

5.4 Climate Change Implications (AT)

No climate change implications arising directly from this report. The recycling, energy usage and construction impacts of the new telecare system could be considered as part of the procurement process.

6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Mike Bailey, Tenant Engagement & Wellbeing Senior Specialist
Telephone: 01303 853270
Email: michael.bailey@folkestone-hythe.gov.uk