

CABINET

Date of Meeting	Tuesday, 16 th January 2024
Report Subject	Alarm Service Charge Review
Cabinet Member	Cabinet Member for Housing & Regeneration
Report Author	Chief Officer (Housing & Communities)
Type of Report	Strategic

EXECUTIVE SUMMARY

The Council provides a range of services to residents, the community and visitors for which it can apply a fee or charge and generate income accordingly.

Within the Council's housing stock (HRA) there are 2592 sheltered housing accommodation units. Following a review of the warden service in 2009 this service was ceased, and the Community Based Accommodation Service (CBASS) was created.

The service provides a tenure neutral service for any older person in Flintshire who may need housing related support.

In addition, the service provides a response service for alarm activations. For HRA residents this is a 24-hour service, operating an out of hours service from within the team for outside office hours (evenings, nights and weekends)

The proposal is to apply the increased service charge to all sheltered residents who are currently using the alarm service. All new residents in sheltered schemes with an alarm will have the charge applied as per current process at the beginning of their new contract.

This report provides details of a proposal to increase the service charge to all sheltered residents who are currently using the alarm service and that the service charge will be applied to all sheltered properties at the point they are let in future.

RECOMMENDATIONS

1	That Cabinet supports and endorses the proposal to achieve full cost recovery for the housing revenue account alarms service.
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REPORT DETAILS

1.00	BACKGROUND TO THE SERVICE CHARGE REVIEW
1.01	<p>The Council provides a range of services to residents, the community and visitors for which it can apply a fee or charge and generate income accordingly.</p> <p>Good practice suggests that local authorities should have a clear rationale for charging, which should include what services are charged for, how much is charged and how charging supports the delivery of corporate priorities.</p> <p>The Council's Income Generation policy (Appendix A) outlines the Council's rationale for fees and charges. It establishes the process by which fees and charges will be set and reviewed, sets out the key principles that should be used in setting them and outlines how charging for services supports the Council to deliver its corporate priorities.</p> <p>The Council's high-level aim is to maximise income generation wherever possible to contribute towards the delivery of key frontline services. Achieving full cost recovery for discretionary services, where the Council has a power but not a duty to provide the service, is a necessity for service sustainability. As, where the charge applied for these services does not cover the cost of service delivery, or it is not permitted to, this raises strategic questions for the Council to consider, such as if and how the services should be funded.</p>
	Housing Revenue Account - Alarm Service Charge Review
1.02	<p>Within the Council's housing stock (HRA) there are 2592 sheltered housing accommodation units. Following a review of the warden service in 2009 this service was ceased, and the Community Based Accommodation Service (CBASS) was created.</p> <p>The service provides a tenure neutral service for any older person in Flintshire who may need housing related support.</p> <p>In addition, the service provides a response service for alarm activations. For HRA residents this is a 24-hour service, operating an out of hours service from within the team for outside office hours (evenings, nights and weekends)</p>

1.03	<p>In 2015/2016 the Council introduced a service charge for this service as set out below:</p> <table border="1" data-bbox="320 241 1383 465"> <tr> <td data-bbox="320 241 863 315">Alarm Maintenance Charge</td> <td data-bbox="871 241 1383 315">£1.30 per week</td> </tr> <tr> <td data-bbox="320 315 863 389">Alarm Monitoring Charge</td> <td data-bbox="871 315 1383 389">£0.90 per week</td> </tr> <tr> <td data-bbox="320 389 863 465">Total</td> <td data-bbox="871 389 1383 465">£2.20 per week</td> </tr> </table>	Alarm Maintenance Charge	£1.30 per week	Alarm Monitoring Charge	£0.90 per week	Total	£2.20 per week
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Alarm Monitoring Charge	£0.90 per week						
Total	£2.20 per week						
1.04	<p>As part of the consultation regarding the introduction of this new charge, some residents challenged this on the basis that they did not want, need, or use the alarm facility.</p> <p>Therefore, to address these concerns, and on a one off basis, the introduction of the new charge was only applied to those who required the alarm service, and others were given the opportunity to opt out of the service and not be charged.</p> <p>The opt out option only applied to this initial period to ease the transition to charges, this was not and is not offered to sheltered residents, any new residents to sheltered accommodation after this point, incur the service charge as part of their occupation contract (formerly the tenancy agreement)</p> <p>Any of the residents who opted out were given the option to opt back in at any stage if they required the alarm service and those that did, were and are charged for this service.</p> <p>There are currently 1846 residents with an active alarm and service charge.</p>						
Issues with Current Process							
1.05	The current service charge does not currently fulfil the requirement to achieve full cost recovery.						
1.06	<p>The current service charge is split as per the table at paragraph 1.03 above to support residents who are in receipt of means tested benefits to receive some support from the Housing Support Grant towards the cost of the alarm monitoring element (as this is not eligible for Housing Benefit or Universal Credit Housing element).</p> <p>This was originally intended to be in place for those residents who transitioned onto the charge in 2015/2016, however, this has never operated effectively due to the manual nature of the work and that people move on and off benefits, meaning charge adjustments at the point of change also.</p> <p>This has led to an inconsistent charging process which leaves the residents confused and a bigger gap between the charges and the costs. No exit strategy was developed for this process which has impacted the issues this causes.</p>						
Proposal for new service charges							
1.07	The table below details the breakdown of all the associated costs of providing this service. It also provides details of other funding that is used to						

	contribute to the overall costs, and how the balance that needs to be recovered from the service charge is calculated.		
1.08	Alarm costs	Detail	Cost per annum
	Maintenance cost	Contract with supplier (CHUBB)	£118,000
	Management cost	Staff costs 2 x FTE plus 25% manager	£118,000
	Equipment cost	Based on prior year spend for new equipment only (a recycle and reuse system operates where possible to keep the costs down)	£50,000
	Call monitoring contract	Call monitoring contract (Delta) £223,000 per annum includes non HRA alarms (total 3027) Cost per customer £73.67 per annum x 1846 (HRA service) = £135,995 (rounded)	£135,995
	Out of hours alarm response service (HRA only service)	Cost 21/22 £35,775 Cost 22/23 £41,070 Cost (projected) 23/24 £39,529 (£23,059 to period 7) Average cost to be applied to service charge £39,000	£39,000
	Total ongoing cost 24/25		£460,995
	Less the HRA contribution	This is an annual contribution to be reviewed as part of HRA business planning - management and equipment costs	£168,000
	Total to be recovered via service charges		£292,995
Total service charge per resident	Total to be recovered £292,995 / 1846 sheltered residents with an alarm	£3.05 (£3.18 over 50 rent weeks)	
1.09	The proposal is to apply the increased service charge to all sheltered residents who are currently using the alarm service. All new residents in sheltered schemes with an alarm will have the charge applied as per current process at the beginning of their new contract.		
1.10	In order that residents who are eligible for support with their housing costs are able to claim the maximum possible, we are proposing to apply the charge to the rent account in the following way:		
1.11	Alarm costs	Detail	Charge over 50 rent weeks
	Alarm	Maintenance contract (CHUBB)	£1.28

	maintenance charge (benefits eligible)	£118,000 per annum = £1.23 per week	
	Alarm monitoring charge	Call monitoring (Delta) £135,995 per annum Out of Hours Response £39,000 per annum Total £174,995 per annum = £1.82 per week	£1.90
	Total		£3.18
1.12	This proposal represents an increase of £0.85 per calendar week, or when calculating over a 50-week period it equates to £0.98 increase.		
1.13	This will achieve full cost recovery from 2024/2025 and can then be reviewed annually as part of the HRA business planning process to align costs to service charges moving forward.		

2.00	RESOURCE IMPLICATIONS
2.01	The proposed service charge increase will enable full cost recovery to be achieved.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	<p>Services should also take into consideration the following when reviewing and setting fees and charges:</p> <ul style="list-style-type: none"> • Intelligence on the nature and elasticity of demand; • Benchmarking with other local authorities or alternative suppliers in more commercial markets; • An understanding of the market in which the service operates, including alternative service providers in the private, public and voluntary sectors; • Any applicable income targets for the service; • The implications of the level of fees and charges on the total income generated by the service, and the impact of this on the service and Council budget; • The impact of any increases on customers; • Whether concessions should be offered/continued, including : <ul style="list-style-type: none"> ○ The rationale for providing a concession to customers ○ Evidence that the concession is promoting take up of the service and benefiting customers most in need and at risk ○ The financial implications of offering concessions • The Council's wider policy goals, aims and objectives; • The impact on communities; and

	<ul style="list-style-type: none"> Equality and diversity issues.
3.02	<p>To provide a comparison information on alarm service charges has been collated from two of our neighbouring authorities:</p> <ul style="list-style-type: none"> Wrexham - £5.65pw (£282.50 per annum) Denbighshire - £3.92pw (196.00 per annum) <p>Please note that neither of these includes the provision of an out of hours service response from the Local Authority.</p>

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	Housing and Communities Programme Board
4.02	If the proposal is agreed, there will be a communication plan drafted to engage with the affected residents and local Members in the period leading up to the service charge implementation of April 2024.

5.00	APPENDICES
5.01	Flintshire County Council – Income Generation Policy

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Jen Griffiths – Service Manager, Housing; Welfare and Communities Telephone: 01352 702929 E-mail: jen.griffiths@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	None.