

**TITLE OF REPORT:** Implementation of New Chargeable Service – Supporting Independence Service

**REPORT OF:** Paul Dowling, Strategic Director, Communities and Environment

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### **Purpose of the Report**

1. To request that Cabinet recommends the Council to approve the implementation of a new chargeable service delivered by Facilities Management with effect from 1 April 2016.

### **Background**

2. One of the savings proposals accepted in the budget agreed by Council on 25 February 2015 was the removal of the budget for Older People Support Service (OPSS) which meant the cessation of both the OPSS and the Home Support Service (HSS). Following the consultation and feedback from clients, residents, stakeholders (e.g. Age UK) and Trade Union representation a decision to fund the service from reserves for 2015-2016 was taken. This decision would provide the time to investigate the sustainability of a self-funding service. As part of this process, on 1 October 2015 a charge of £7.50 per hour was introduced for OPSS, whilst not fully recovering all costs this has allowed the continuation of service delivery until the end of March 2016.
3. Both OPSS and HSS offered a service that assisted individuals who were experiencing difficulties in living independent lives. The service set out to improve their quality of life and reduced their reliance on more expensive, comprehensive care packages. Of our customers 66% self-identified as having a disability. In the most recent customer survey 73% of customers were being helped with planning healthy meals and shopping and 89% of respondents were made to feel safer in their own home.
4. The population of over 65's in England is expected to increase by 9.8% by 2020<sup>1</sup>, in Gateshead the increase in population for this age group is expected to be 16% by 2025<sup>2</sup>.
5. The years of delivering OPSS and HSS have provided the opportunity for the Facilities Management Service to develop a pool of talented individuals and robust systems to allow effective and efficient service delivery.
6. It was agreed that transformation opportunities would be explored in order to develop a financially sustainable replacement service.

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<sup>1</sup> Office of National Statistics England Population in Age Groups 2014

<sup>2</sup> Joint Strategic Needs Assessment Demography data 2015

## Proposal

7. From 1 April 2016 a new service will be delivered under the operating name of the Supporting Independence Service. This will utilise the existing pool of experienced staff from within Facilities Management. Processes will be adjusted to reflect the delivery of a single service. This new service will not be liable to VAT.
8. There will be an eligibility test for the fee paying service which is critical to achieve the VAT exemption. An assessment will be carried out of prospective customers to verify that there is a risk to physical or mental health, or welfare because they are unable to carry out the tasks required safely or adequately, or without significant pain or discomfort. It is expected that these eligibility criteria will not lead to the exclusion of a significant number of former OPSS and HSS customers.
9. The services provided will be tailored to meet individual needs and can include:
  - (i) Collection of shopping and prescriptions
  - (ii) Accompanied shopping and collection of benefits
  - (iii) General housework – ironing, washing up, vacuuming, dusting etc
  - (iv) Sitting service
  - (v) Assistance with correspondence, finances and benefit claims etc
  - (vi) Monitoring health and wellbeing as well as safety around the home
10. The actual practical support offered to individual customers will be flexible so that individuals' specific needs can be addressed and customer satisfaction guaranteed.
11. Prices will be set at £11.50 per hour for 2016/17 and will be added to the published list of fees and charges. It is projected that the service will be financially sustainable within two years; in the meantime it may require up to £60,000 of transitional support from Facilities Management trading.
12. An Equality Impact Assessment has been undertaken on the proposal.

## Recommendations

13. Cabinet is asked to recommend the Council to approve the implementation of the Supporting Independence Service with effect from 1 April 2016 and introduction of the charge of £11.50 per hour for the service and for this charge to be added to the published list of fees and charges for 2016/17.

For the following reasons:

- (i) To initiate a new financially sustainable service that will help people to live independently in their own homes.
- (ii) To reduce the demand on services provided by the Council to meet its statutory duties.
- (iii) Sustain employment opportunities with the Council in a financially sustainable service.

## Appendix 1

### Policy Context

1. The Council is operating in a challenging national policy context which has been compounded by recent government funding announcements that reduces the resources available to local government.
2. The proposal in this report is consistent with the Council's vision and medium term objectives as set out in Vision 2030 and the Council Plan, in particular 'Ensuring a Sustainable Gateshead' by ensuring best use of resources and 'Active and healthy Gateshead' by supporting individuals struggling to live independently.

### Background

3. There has been an examination of the liability for VAT to the delivery of services that support independence. The service proposed will be exempt VAT on the proviso that certain conditions are met, chiefly:
  - (i) The service is offered to promote the physical or mental welfare of elderly, sick, distressed or disabled persons; and
  - (ii) An assessment of the recipient's health condition, medical needs and ability to perform each task has been carried out. This assessment must show that the recipient is unable to carry out the tasks safely or adequately and that this inability presents a risk to their health or welfare.
4. A competitive price can be set that will cover costs provided VAT is not applicable to the delivery of the service.
5. The Supporting Independence Service will act as an early intervention to address declining ability, or a stable but low level of ability, to perform everyday tasks.
6. The provision of the service will contribute to the Council's work with health professionals across the Strategic Partnership. We have evidence which suggests that recipients of OPSS services were a third as likely to be admitted to hospital as the general North East population for that age group. With 450 recipients of OPSS and HSS, their lower admission rate meant that from this group alone there would have been 211 less hospital admissions per year.
7. This proposal has been developed considering the cost of delivering the service, the anticipated level of demand and the potential for further savings targets in the future.

### Consultation

8. Existing customers of OPSS were consulted regarding the implementation of a charge, 73% responded that they would pay for the service they receive. The Existing HSS customers would continue to pay the same hourly rate as at present, albeit there would be no VAT included in that price.

9. Councillors were consulted on the proposal through portfolio meetings and briefing sessions. The trade unions, employees, customers and other stakeholders were consulted as part of the formation of the business plan.

### **Alternative Options**

10. From 31<sup>st</sup> March 2016 both OPSS and HSS will cease and no alternative will be offered. Those experiencing difficulties living independently will need to find alternative support from families and friends, charities or via statutory duties placed on public sector organisations.

### **Implications of Recommended Option**

11. **Resources:**

- a) **Financial Implications** – The Strategic Director, Corporate Resources, confirms that the proposals form part of the agreed budget for 2016/17.
  - b) **Human Resources Implications** – If the proposal is not approved the employees currently engaged in HSS and OPSS will be made redundant. If the proposal is approved those staff will be employed on grade B which represents an improvement in remuneration for former HSS employees. A number of employees currently have posts on both OPSS (Grade B) and HSS (Grade A) however employees who only have a post in HSS may need to be upskilled to undertake the additional responsibilities required. If capability issues arise as a result, the service will manage this through consultation with Human Resources and use of the relevant policy and procedure. If necessary the Council's Redundancy and Redeployment policies will be followed in an attempt to reduce the number of compulsory redundancies.
  - c) **Property Implications** – There are no direct property implications arising from this report.
12. **Risk Management Implication** – The risks associated with the impact on demand for services have been assessed when considering this proposal.
13. **Equality and Diversity Implications** - The Equality Impact Assessment produced in relation to this proposal identifies a positive impact for customers with the following protected characteristics: age and disability. Employment opportunities with the Council will also improve for predominantly low paid female workers across the borough.
14. **Crime and Disorder Implications** - There are no direct crime and disorder implications.
15. **Health Implications** – These are included in the Equality Impact Assessment.
16. **Sustainability Implications** – There are no sustainability implications.
17. **Human Rights Implications** – There are no human rights implications.

18. **Area and Ward Implications** - The recommendations apply to all Areas and Wards.