

Report to Executive

Agenda
Item:

A.8

Meeting Date: 16th December 2013
Portfolio: Communities and Housing
Key Decision: No
Within Policy and
Budget Framework YES
Public / Private Public

Title: HOMELIFE CARLISLE - BUSINESS MODEL
Report of: Director of Economic Development
Report Number: ED 43/13

Purpose / Summary:

This paper outlines the business model of Homelife Carlisle, the Home Improvement Agency(HIA).

Enabling people to remain living independently at home is a key part of Government policy. An increasing older population impacts on the demand for public services in Carlisle. The delivery of services under the HIA allow for services to be targeted to help those older and vulnerable people needing support and help. The HIA also provides an opportunity to develop new services and find new funding opportunities to pay for these services.

This report sets out the current income streams and how funding is used to cover the cost of running and developing the service.

Recommendations:

That the Executive approve the business model for the delivery of Homelife Carlisle and approve the proposed charging regime for work undertaken by the HIA. It is also requested that Executive note the income and expenditure that has taken place to date in establishing the HIA and its workstreams.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

1. BACKGROUND INFORMATION

- 1.1 A growing older people population and reductions in housing budgets has made it more difficult to provide services to keep older and disabled people independent at home. Both Health and Social Care have as their strategic aims to keep people independent at home for as long as possible.
- 1.2 The City Council has reduced in recent years the number of services in Housing for older and disabled people to the mandatory requirement to provide Disabled Facilities Grants. This has meant that we are no longer, for example, able to provide renovation grants and other help such as heating schemes funded from the Council's budgets. This is coupled with a reduction in funding from other agencies and authorities for housing related support.
- 1.3 The Council is the strategic housing authority and has in its Housing Strategy the support of older and disabled people. To provide additional services without Council funding for both the capital and revenue costs requires it to seek alternative funding externally.
- 1.4 Home Improvement Agencies provide a route to increase capacity and to gain additional external funding as part of a partnership approach. Carlisle City Council has had a HIA since 2007 but it was not accredited with the national body for HIAs, Foundations. Accreditation was gained in July 2012 and from that date the initial work on establishing the HIA has taken place. Accreditation is the first stage of a quality assurance process that leads to a TrustMark; this accreditation stage verifies that the HIA offers the basic services required of an HIA to an acceptable standard.
- 1.5 The HIA was set up as part of a countywide project to improve the integration of Disabled Facilities Grants with both Health and Social Care. This project gained additional funding for Districts in 2011- 12 of £500k and a further £500k in 2012-13 from the NHS Joint Commissioning Board. Carlisle's share of this budget was £118k in each of those years. This and other external monies, provided by Government following Cumbria's piloting of the unringfencing of the Disabled Facilities Grant, have been used to provide the working capital for the HIA as it develops its own income streams.
- 1.6 The Executive is required to approve the business model of the HIA to ensure that the income it generates meets its costs and that any surplus income is used appropriately to help older and vulnerable residents. As part of this it is also

required that the Executive note the income and expenditure made during the set up phase of the HIA.

- 1.7 The HIA is based on the model similar to a social enterprise where any surplus income is used in the provision of services that have a social impact and are in line with the aims and objectives. The HIA's objectives are aligned to the Council's Housing Strategy.

2. CURRENT INCOME STREAMS

2.1 Income from chargeable work

The HIA offers a number of services where we charge a fee of 12.5% on the cost of the works as outlined in the recent charging report. The charge is levied currently against the cost of goods and services in the following areas of work; the range of these services will increase as the HIA expands:

- Managed Repair Service
- Sanctuary Scheme - for victims of domestic and sexual violence
- CDRP Anti-social behaviour scheme
- Electrical Safety Council grants
- Foundations Independent Living Trust
- Affordable Warmth measures
- Client funded adaptations
- Hospital Discharge
- Handyperson Service

2.2 ECO Affordable Warmth measures

The HIA is the referral point for Energy Company Obligation(ECO) affordable warmth measures in Carlisle. The Council are working with SIG Energy Management for the delivery of the scheme to the residents of Carlisle. SIG Energy Management was selected following a procurement exercise. As part of the Service Level Agreement, the HIA will be paid referral fees for supplying client details to SIG, these will be paid on the installation of a measure. The rates are not finalised but will likely be as follows:

Level	Referral Fee
Basic - Client name and address, problem or measure requested	£25

Enhanced - Client name and address, problem or measure requested. Plus benefit/income proof if needed. Existing home heating and insulation measures installed. House type and construction. Usually as the result of a home visit,	£50 - £75
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2.3 Community Neighbours Post

The Community Neighbours programme is a befriending service for older people using volunteers. This programme is run by a Coordinator and is externally funded by Health and Social Care. It is a temporary post for 12 months which is due to finish in April 2014. We are seeking further funding currently from the Clinical Commissioning Group under the Mrs Carlisle project.

2.4 Housing Caseworker

The Housing Caseworker is a Hospital Discharge service externally funded by Health and Social Care. It is designed to facilitate early discharge from hospital where housing issues are a barrier to discharge. It is a temporary post for 12 months which is due to finish in November 2014. We will be seeking further funding from the Clinical Commissioning Group under the Mrs Carlisle project. This will be based on evidence of the savings the service makes due to reductions in bed days and stabilising patients at home who repeatedly are admitted to hospital.

2.5 Grants and external funding

We will be seeking grants and bidding for external funding as they arise which will also generate income to cover the base costs of the HIA.

3. CURRENT EXPENDITURE STREAMS

3.1 Base Costs

The base costs for the HIA are salary costs for the HIA Manager, HIA Project Worker and the HIA Apprentice. These posts are currently being funded from the external funding being used to set up the HIA (see para 1.5). The other costs

included under this heading are the licences for specialist software to administrate the HIA as well as general day to day costs not included under the salaries budgets. These annual base costs are estimated at around £95k.

- 3.2 The business plan for the HIA aims to make the HIA cost neutral in year 2015-16, which means that its income will match the costs of running the service. The service will earn its income for the following financial year in the preceding year. It will aim to keep working capital to cover at least six months costs, which is a common model used in the charitable sector. This amounts to £47.5k. We currently have in excess of this amount unallocated for 2015-16.

MARKETING THE HIA

- 4.1 The HIA has earned income from the current work streams but has been principally setting up its ways of working and recruiting staff since it was accredited. It will now be taking forward a marketing strategy with the help and support of the Communications Team to expand the service and increase turnover. We have engaged an external graphic designer and copy writer to assist us in doing this. This will increase awareness of the HIA and its work and increase the number of people we are able to help.
- 4.2 The Executive approved at its February meeting the branding of the HIA. This was designed in house through the Communications Team.,.



- 4.3 We are linked to the Mrs Carlisle project. A joint Health and Social Care project to support the frail elderly to live independently at home for as long as possible.

5. ECONOMIC BENEFITS

- 5.1 As the HIA grows, it is and will produce both work for local businesses and employment as well as opportunities for apprentices. It will also attract additional

funding into both Carlisle and Cumbria which will benefit the Council and the Third Sector, such as Age UK, who are working with the HIA.

6. CONSULTATION

6.1 Consultation to Date.

None to date at present.

7. RECOMMENDATIONS

7.1 That the Executive approve the business model for the delivery of Homelife Carlisle and approve the proposed charging regime for work undertaken by the HIA. It is also requested that Executive note the income and expenditure that has taken place to date in establishing the HIA and its workstreams.

8. REASONS FOR RECOMMENDATIONS

8.1 It is a requirement that the Council approve the HIA's business model structure as well as ensuring that its surpluses are used to improve services and meet the reasonable costs of running those services.

9. IMPLICATIONS

- Staffing/Resources – The HIA staff and resourcing is funded from external funding and all services will not be taken forward unless they are viable and meet the principle of cost neutral to the authority.
- Financial – As the HIA is not a separate legal entity, the income and expenditure of the HIA currently forms part of the Council's base revenue budget within the Economic Development Directorate and as such must comply with the Council's Financial and Contract Procedure Rules including policies on external funding and partnerships working. The business model for the work undertaken by the HIA assumes a break even position with the costs being funded through the charging mechanism detailed within the report at paragraph 2. The Executive are asked to approve these charges in accordance with the Corporate Charging Policy.
- Legal – The HIA is not a separate legal entity, rather it is a trading name under which the City Council delivers the services described. The power for the Authority to charge for HIA services derives from the Regulatory Reform

(Housing Assistance) England and Wales Order 2002 and includes a discretionary context applicable to any HIA charging policy established by the Authority. Income from, and expenditure on, the HIA service will have to be processed in accordance with the requirements of the Council Financial Procedure Rules. Any HIA contract opportunities will need to be offered to the market in compliance with the Council Contract Procedure Rules.

- Corporate – Personnel and other Corporate services are being used as required. Where the costs are incurred as part of a bid these will be reflected in the bid.
- Risk Management – A risk profile has been submitted to the Programme Board and is being reviewed with them on an ongoing basis.
- Environmental – The HIA will conform to the Council's policies on environmental protection and sustainability.
- Crime and Disorder – The HIA is currently providing a Sanctuary Scheme for victims of domestic violence and has been awarded funding for a referral scheme to help people make their homes safe after a burglary, for example. One of the aims of the project is to help people feel safer at home by, for example, providing handyperson services to improve home security. We also run a scheme for victims of anti-social behaviour.
- Impact on Customers – The HIA is already benefiting customers providing improvements in energy efficiency and helping victims of crime. The HIA is also referring clients to other services such as Benefit Advice for income maximisation. The service is also working in partnership with other agencies and council services to provide a holistic approach and try to assess each case looking at all the measures that would help the client remain independent at home.