**Hexagon Housing Association**

**Board of Management**

**7 June 2016**

**Agenda item 4**

**Strategic matters arising from the annual review of Care and Support**

**Report by the Operations Director**

**Lead Board member: Ian Mansell**

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| ***1*** | ***Summary*** |
|  | This report outlines the progress made on the four strategic matters identified in 2015 and asks the Board to endorse the three priorities identified for 2016.  |
| ***2*** | ***Recommendations***  |
| 2.1 | The Board is asked to endorse the three priorities set out for 2016 in section 4.1, namely: * The future of the care service at Woodcote Road
* Assessing the sustainability of the Athena project
* Addressing the risk of increased financial losses resulting from the planned withdrawal of the under-write for some of our void losses by LB Southwark for our Supported Housing schemes for people with a learning disability

In future, progress on addressing the third priority will be covered in the report on the annual review of Housing Services as Supported Housing is now part of that department.  |
| ***3*** | ***Progress on strategic matters identified in 15/16*** |
| 3.1 | There were four strategic priorities identified last year and the expected rate of progress has been made on three of these: 1. The care home service at Townley Road has been remodelled and since December the service has been provided as a Supported Housing service at Kirkwood Road.
2. The management structure of Care and Support has been reviewed with the Supported Housing side incorporated into the Housing Services staffing structure, and the Care and Support Manager post retaining the care operation on 0.6 FTE hours.
3. The testing of the sustainability of the Athena peer support innovation project started towards the end of 15/16 and is continuing in 16/17.

*But*1. The fourth priority was addressing the problems of slow referrals in Supported Housing leading to high void levels. Although the void loss target of 4.9% in the VFM strategy was achieved in the year, the referral problems for some schemes continue. In Southwark, where some of the void loss risk was being mitigated with a voids underwriting agreement with the borough, the authority has told us that they do not intend to renew these agreements when they expire. This threatens the future viability of these schemes.

There is further detail below on the two 15/16 priorities which do not feature in the 2016 strategic priority areas. Then the 2016/17 priorities are set out.  |
| ***3.2*** | ***Townley Road remodelling***  |
| 3.2.13.2.23.2.33.2.4 | The proposal to close Townley Road and transfer the service to Kirkwood Road was implemented at the end of December 2015. This was a significant change project involving:* Negotiation of a new 5 year contract
* Appointment of new manager following the retirement of the former manager
* Restructure of the staff team – with only one redundancy
* New registration with CQC
* Introduction of a new night service provided by an external not for profit company - CAYSH
* Refurbishment and improvement to the Kirkwood Road building

The new service offers a more “person centred” supported living model and with a better standard of self-contained accommodation with communal facilities. Four clients transferred from Townley Road and referrals were sought for the other eight places. These have all been agreed and at the time of writing, ten units are let and we expect the remaining two to be let by the end of May.This was a huge change on several levels. There was a substantial cost over-run on the works but it has been possible to meet this and still achieve a satisfactory projected budget over the next 5 years. There have been teething problems with the building and the new IT and phone system which are still being addressed. For the staff team who had been at Townley Road for many years, this was a big upheaval but they have settled in with the support of the excellent new manager who has been sensitive to both individual and group needs. Part of this has been to train the whole team to support their clients using the Recovery Star, a web based system designed for adults to manage their mental health. The Townley Road building is now surplus to our requirements. Under the terms of the original development agreement in 1990 with the then local mental health authority, the building had to be offered back to the NHS or the proceeds of disposal returned to the NHS and this process is now being implemented with legal advice. We are dealing with NHS England. The building will be put into an auction in July.  |
| ***3.3*** | ***Management restructuring***  |
| 3.3.1  | The rationale for having a separate Care and Support department had largely gone as we have withdrawn from the provision of support except for our high support mental health schemes. Proposals were produced to separate the high support and care side of Care and Support from the housing management side with the aim of achieving improved service consistency as well as some efficiency improvements. The high support and care side continues to be managed by the Care and Support Manager on fewer hours. Supported Housing management has been brought into Housing Services with some changes in reporting lines. A consequential change is that Resident Involvement now reports to the Operations Director direct. All the affected staff were fully consulted with assistance from Human Resources and the changes implemented with effect from April. The restructuring involved one partial redundancy. The budgeting side of Supported Housing has been greatly simplified as a result of the proposals, with a positive impact on the time available for other work in Finance as well as in Supported Housing. |
| ***4.*** | ***Strategic priorities for 2016/17*** |
| 4.1  | Directors’ Group has identified three priorities for the coming year:* The future of the care service at Woodcote Road
* Assessing the sustainability of the Athena project
* Addressing the viability risks from continuing high voids in Supported Housing
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| 4.2 | *The future of the care service at Woodcote Road* The Woodcote Road care home service is going from strength to strength and the aim is to secure its future. In the same way as in Kirkwood Road new service, in November there was a restructuring at Woodcote facilitated by the introduction of a contracted night-time concierge service provided by CAYSH, the same provider as at Kirkwood Road. Now several months on, we believe this has been a very successful change across both Kirkwood Road and Woodcote Road. In particular: * Staff teams have adapted well to the flatter structure where the Senior Team Leader posts was deleted
* All staff now work day time shifts which has improved availability and consistency. Contact time with clients has increased and enabling a better therapeutic rapport.
* There is increased scope for activities and the majority of staff are leading groups and activities e.g. exercise, art, with very positive effects.
* The night service is meeting the needs of clients and risks are well managed. There is regular management liaison regarding the night service and staff from CAYSH and Hexagon are benefiting from shared access to training.
* Whilst this was not the main driver, the cost of delivering the service is approximately £40K less per home.
* Whilst it is early to say, staff express greater well-being with not working under internal rotation.

 At Woodcote, our commissioners Sutton CCG, and also Merton CCG who buy placements from Sutton, have told us they are very satisfied with the outcomes being delivered to what is now a client group of young adults. Hexagon has a 25 year lease with LB Sutton on the property which is due to end in September 2017. Given the success of this service, both Hexagon and the Commissioners are keen for it to continue. We will now begin negotiations with LB Sutton to achieve this on similar terms as the initial one. |
| ***4.3***  | ***The sustainability of the Athena project***  |
| 4.3.1 | The Athena project is funded for three years with an innovation grant from Southwark mental health commissioners, and it provides a paid peer mentoring service for people with mental health histories coming out of care and moving into more independent living. The priority for 16/17 for the project is to carry out an evaluation and use the findings in writing a proposal to Southwark Commissioning for further funding to achieve long term sustainability.The Athena project has been operational for 18 months. We are now undertaking an evaluation to find out what is and is not working and how best to adapt the programme and as far as possible reduce the dropout rate of both mentors and clients. The evaluation is seeking feedback from stakeholders in terms of staff who have referred clients to the service, the participants [potential mentors who undertake the training] and clients who use the service. |
| 4.3.2 | Some key features of the service to date are:**Training**3 cohorts of participants, 30 people, began the training in Baseline Recognition with 20 completing. 4 mentors have also completed the Train the Trainers course4 mentors are undertaking Full Recognition.All active Mentors are undertaking a certificate in Mentoring Theory and Practice due to complete in October 2016.**Mentoring and referrals** We have 10 active mentors. There is a significant drop out rate, approximately 50% of those completing training. In the main this seems to relate to health and personal issues for the mentors but in a few cases this has been because of the positive unintended consequence of mentors gaining full time employment.After a slow start, referrals are being received and we are currently providing the mentoring service to approximately 23 clients. Since January 2016 we have been receiving income from personal budgets of clients on a monthly basis. **Finance**The original financial modelling was based on our assumptions on costs and Southwark’s estimate that clients would on average be allocated 5 hours of support per week. These assumptions are now being revised as we have better information where the actual costs are more than anticipated and where clients have until now only been allocated on average 1 – 2 hours per week. **Financial sustainability** Long term financial sustainability is key for this service but it not yet clear if this is achievable although we are very hopeful. Some of the key challenges have been the dropout rate from the course of the participants/potential mentors which is about 50%, and the numbers that go on to undertake the mentoring role where we have started with 30 in training and 10 have become active mentors. Within peer services these rates are not unusual but we believe this can be improved through the adjustments we have made to the programme and a bigger investment in the upfront recruitment and selection including open/information days and linking with Love London Working for assessing the skills in literacy numeracy and IT which are needed at a basic level to undertake the course. To take this project to the next level will require further investment which is not yet costed but we are reasonably confident that this will be supported by Southwark who have encouraged us to put in another proposal for further funding to enable the service to grow and succeed in terms of the long term future. We aim to complete the evaluation and use this information to adapt the programme to improve retention rates and sustainability, and to produce the proposal for Southwark by the end of June.The results of this should be available later in the year. |
| ***4.4*** | ***Addressing the continuing high voids in Supported Housing***  |
| 4.4.1 | Addressing the void times and losses in Supported Housing continues to be a priority for 16/17. During 2015-16 we were not able to improve the average relet time which was high at 115 days, and even after removing two exceptional outliers, the mean relet time was still 85 days. However the void loss figure did improve as the separate PIs report on the agenda shows with the VFM strategy target of a void loss of below 4.9% being achieved.  |
| 4.4.24.4.34.4.44.4.54.4.6 | **Voids funding agreements** Five of ourLearning Disabilities high support schemes in Southwark receive some funding from the local authority under a voids agreement which means that the borough bears the cost of the void after 35 days , providing the unit is ready to let. These void agreements have time limits and the first of these expires in September of this year. In 2015/16 although three schemes had no void losses, the remaining two schemes incurred £22236 of void loss of which £19208 is payable by LB Southwark. Southwark has stated that it is not willing to renew the voids agreements on the five schemes as they expire. We have written to the Executive Director in Southwark setting out the possible consequences of a withdrawal of the voids underwrite. If it continues to prove difficult to relet some of our vacancies in a timely manner, the schemes will become non-viable and our only option would be to close the services, and use the buildings for another housing purpose or dispose of them. The director swiftly wrote back saying they would not change their stance on the voids underwrite. A new senior commissioner in the borough is currently carrying out a review of their accommodation needs for the learning disabilities client group and we have a meeting with this commissioner in July to see if there are ways of making our schemes suitable for the needs of the *current* people with learning disabilities who are referred for housing. The predominant needs now seem to be of young people who want a degree of independence whereas the occupants in some of our schemes are mainly middle-aged who are used to living in a shared house. Directors’ Group has taken the view that we should not relet any units in these schemes where the voids will not continue to be funded in future, at least until there is a report back on the meeting with the commissioners. Currently LB Southwark are paying the invoices for the voids underwrite agreements. **Block funded scheme** A further scheme, - currently being used for young people leaving care – at 30 Queens Road has been block funded through Look Ahead by Social Services. These arrangements have helped reduce the cost to Hexagon of supported housing voids in recent years. Social Services have recently been reluctant to pay Look Ahead when the young people turn 18 years old (and could therefore be granted a tenancy/licence); we have therefore agreed that we will charge these young people a rent and pass the actual amounts received over to Look Ahead. This reduces the service cost a little to Social Services, although it means a bit more work for our staff. Look Ahead have indicated that they may be willing to take a lease on this building from us when our current 2 year agreement runs out in January 2017. This will mean the void risk transfers to them but will reduce our income. We are currently awaiting a proposal from Look Ahead.  |
| 4.4.3 | **Reducing the referral paperwork burden**In addition to the referral problems we have experienced, we have also decided to review this year our own paperwork in considering referrals as there is some evidence that this is overly onerous **.** We have already relaxed our requirements in shared schemes where there is full 24 hour support being provided, as we can be confident that the support provider will be carrying out support and managing risks. We need to be sure when letting self-contained accommodation that the tenant’s support needs will be met and that we are aware of risks to and from the tenant. There is still scope in checking whether we can reduce any possible delay caused by paperwork, while still ensuring that we get all information needed. This piece of work should contribute to reducing delays in making decisions on referrals into supported housing. Directors’ Group receives a quarterly report on the voids position in Supported Housing.  |
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