

Norton House Ltd

Statement to Adult Social Care Scrutiny Committee Meeting

May 2016

The following question was submitted by a member of the public to the January 2016 meeting of the Health and Wellbeing Scrutiny Committee and the Adult Social Care Scrutiny Committee.

“Norton House according to accounts submitted to the Charity Commission received over £188k in personal charges from residents and only spent around £92k. The remainder went into reserves. Currently the organisation has over 1.4 million in reserves”

The question was referred to the May 2016 meeting of the Adult Social Care Scrutiny Committee.

Norton House are grateful for the opportunity to clarify its position and would like to respond with the following statement:

Norton House is an independent Leicester City based charity with a thirty-year track record of providing high quality accommodation based and floating support to adults with complex ongoing mental health problems. Since 2003 Norton House has provided services under contract to Leicester City Council and as such has been subject to ongoing contract monitoring and review, achieving grade A (excellent) for a number of years.

In addition to Leicester City Council contract funding Norton House receives income from Housing Benefit and personal charges made to Service Users, which are covered by individual DLA or PIP payments.

Personal charge income is crucial to Norton House’s ability to provide a sustainable and high quality service. It covers items not eligible for funding either via the Leicester City Council contract or Housing Benefit. Personal charge income enables Norton House to:

- Cover the cost of Service Users’ food in the group living schemes.
- Provide extensive activity and leisure opportunities for Service Users.
- Provide additional support to Service Users to enhance that provided via the Leicester City Council ILS contract.
- Cover the cost of the volunteering programme.
- Build up Reserves to fund new developments or pilot new approaches to service delivery e.g. developing supported homes or flats to enable Service Users to live more independently in their own tenancies, funding of a Healthy Living Coordinator, etc.

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2014/15 Audited Accounts

Despite a change in Charity Commission requirements Norton House has continued to provide full, externally audited accounts.

In line with Charity Commission requirements, Norton House has a Reserves Policy which is reviewed annually and published in the audited accounts. As a small, specialist local provider, Norton House faces an uncertain future with a number of significant threats including the potential loss of our key contracts. Again in line with Charity Commission guidance, Norton House aims to maintain Reserves sufficient to cover six months' running costs i.e. approximately £450,000. In addition, Norton House has been building up Reserves to enable it to expand and diversify, both to benefit greater numbers of Service Users and to achieve greater financial security and sustainability protecting the organisation, its Service Users and staff.

In response to Service Users' requests and in line with Leicester City Council strategic aims, Norton House has developed a model of supported move on flats based in properties purchased on the open market. This encourages and enables Service Users no longer requiring more intensive support to move on to more independent living. These schemes do not receive any Leicester City Council contract funding.

Norton House currently have seven move-on flats in two properties and in 2014/15 was seeking a further suitable property for development. Unfortunately, it was not possible to proceed with a purchase in that year leading to an increased surplus for the year. However, in August 2015 a suitable property was identified in Oadby and was purchased with the intention of providing six supported move on flats. The surplus of personal charge income in 2014/15 partly funded this purchase and the following items:

Contribution to Oadby property purchase. (Total purchase cost £380,000)	£65,000
Contribution to ASRA's refurbishment of new property enabling the closure of 2 substandard properties	£17,000
Additional 10 hours of support per week to meet service user needs. 12 months fixed term contract	£5,000
Appointment of Healthy Living Coordinator	£6,500.
Total	£93,500

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As a result of the purchase of the Oadby property and other service developments, at the end of the 2015/2016 financial year Reserves had fallen well below £1,000,000. Norton House is continuing to seek further opportunities to use Reserves to fund move on accommodation and service developments which enable Service Users to achieve both greater independence and increased health and wellbeing.

Sue Cowling

Chief Executive
Norton House Ltd.