

Policy Committee – 11th September 2017



DISABLED FACILITIES GRANT DELIVERY OPTIONS

Report of the Director of Services

Lead Member: Richard Foster

Ward(s) affected: ALL

1 Purpose of Report

To advise Members of changes to the current provision of the Disabled Facilities Grant Scheme;

To provide options for the future delivery of Disabled Facilities Grants from 1st April 2018;

To ensure that the preferred option is implemented by the required date in order to meet statutory obligations.

2 Recommendations – Members are recommended to:

- 2.1 Note the current arrangements for Disabled Facilities Grant delivery and the options available for future provision;
- 2.2 Approve the In – house Full Service option for future delivery from 1st April 2018;
- 2.3 Delegate authority to the Director of Services, in consultation with the Lead Member for Housing, to take timely decisions to facilitate implementation of the chosen option with effect from 1st April 2018.
- 2.4 Delegate authority to the Director of Services, in consultation with the Lead Member for Housing, to review its cost effectiveness and performance post implementation.
- 2.5 Note that with the increasing flexibility as to the use of discretionary grants¹, an in-house provision would enable the Council to take advantage of the growing increase in opportunities for the fund to be used to benefit more disabled households in Craven.

¹ Craven's Housing Renewal Policy 2017 includes provision of Discretionary Grants and greater flexibility to utilise Disabled Facilities Grant funding – This policy is to be considered by Policy Committee in September.

3 **Current Disabled Facilities Grant Delivery**

3.1 Delivery of Disabled Facilities Grants is a statutory requirement of every strategic housing authority and comprises two distinct roles:

1. **Administration:** Policy and decision making, and the processing of applications. For Craven, this role is undertaken by Craven District Council;
2. **Technical Support:** Giving advice and assistance to potential grant beneficiaries before and during the application process, collate evidence to support grant applications, design and document specifications for required works, tender for contractors and oversee the contracts to ensure all works are completed to the specification. For Craven, this role is undertaken by Yorkshire Housing.

Please refer to item 6 in the Appendix for more detail

3.2 In 2014/15 Craven, Harrogate, Hambleton, Richmondshire and Selby requested that the **technical support role** be included within a wider NYCC Supporting People Home Improvement Agency (HIA) contract. This contract delivered advice, support, repairs and minor adaptations to the same client groups of vulnerable, disabled and elderly persons that applied for DFGs. Scarborough & Ryedale excluded themselves from this process as they have an established in-house Adaptations service delivering both Administration and Technical Support roles.

3.3 The DFG Element of the contract was in 3 parts:

Lot (Area)	Commissioned Service Provider
1. Craven & Harrogate	Yorkshire Housing
2. Hambleton & Richmondshre	Yorkshire Housing
3. Selby	Yorkshire Housing

3.4 The HIA Contract ran from 1st April 2014 and ended on 31 March 2017, and on completion NYCC advised that the Supporting People Commissioning Body would not re-tender the contract due to the time and cost involved. However, the contract option to extended for one year was taken to enable NYCC and housing authorities to make alternative arrangements for the delivery of the statutory elements of the contract. (i.e. DFGs (CDC) and Minor Adapations (NYCC)). The contract will now finish on 31st March 2018.

3.5 Yorkshire Housing has funded the cost of providing DFG Technical Support by making a charge to successful grant applicants, the charge being a percentage of the value of the works (currently 10%), **and** by obtaining a contribution from each local authority (currently £10,000 in Craven) – the authorities contributions being met from the Disabled Facilities Grant received annually from Central Government.

For Craven this has provided Yorkshire Housing with funding over the last three years of:

	Total
2014/15	£34,275
2015/16	£30,416
2016/17	£31,196
AVERAGE	£31,962

Note: Please refer to the Appendix for more detail in relation to Central Government Allocations, number of grants, types of works undertaken etc.

4 Future Disabled Facilities Grant Delivery

4.1 The options open to Craven District Council to ensure its statutory obligations for the provision of the DFG service are met are:

1. Provide a **basic in-house** grant application scheme with no technical support to applicants;
2. **Outsource** the technical support element by undergoing competitive tendering;
3. Establish a **partnership** with another local authority to deliver the scheme across both areas;
4. Provide a **full** administration and technical support **service in-house**.

(see section 5 for full descriptions)

4.2 In the event that the service comes in-house there will be TUPE implications with regard to current staff employed by Yorkshire Housing (YH), and YH have advised that 0.8fte of employees 1 and 2 is deployed on DFG work in the Craven district as follows:

	Post	Time	Eligible for Transfer of Undertaking Regulations (TUPE)	Terms & Conditions	Difference
Employee 1	Administration	0.3fte	YES	1.0fte	0.2fte
	Caseworker	0.5fte			
Employee 2	Technical Officer	0.8fte	YES	1.0fte	0.2fte
Employee 3	Manager	0.2fte	NO	n/a	n/a
SURPLUS RESOURCE					0.4fte

- 4.3 Under TUPE regulations we are required to transfer Employee 1 and 2 under their current terms and conditions at 1.0fte rather than at the estimated time required to carry out the Technical Support role for DFGs. This results in a surplus 0.4fte staffing resource which cannot be funded from DFG funding or Applicants Fees.
- 4.4 0.2fte of the Admin/Caseworker can be funded from other housing grant funds.
- 4.5 0.2fte of the Technical Officer would require additional revenue budget provision in the sum of £8,660.
- 4.6 In 2013/14 the £10,000 Local Authority contribution represented 5.2% of the grant allocation in that year. If this percentage was increased to 8% and applied to the increased DFG Allocation for 2017/18 of £474,664 (assuming this will not increase in 2018/19) this would generate a contribution of **£37,970** towards delivery costs.
- 4.7 Applicants fees could be increased by applying 15% to the cost of works to give an income stream in 2018/19 of approximately **£25,260** (based on an average achieved by Yorkshire Housing as listed in 3.5)

5 Options for Disabled Facilities Grant Delivery

The four options for delivery are summarised below:
(Further detail can be found at 7 in the Appendix)

5.1 In-House Basic Grant Service:

Proposal: To provide office-based advice to applicants only.

Advantages:

- Limited additional staffing resource funded from DFG Allocation

Disadvantages:

- Lack of support for vulnerable applicants potentially delaying completion of the adaptation
- Use of non-approved contractors putting client's at risk and potential for the Council to become involved in protracted client/contractor disputes with a negative impact on value for money
- Redundancy costs which could not be funded from DFG or other housing funds
- Risk of wider public criticism for lack of support for vulnerable customers

5.2 Contracting out

Proposal: To undertake a procurement process to select a service provider

Advantages:

- Test the market to provide and demonstrate value for money

- Disadvantages:
- NYCC have recently undertaken a Market Engagement exercise (Via YORTENDER and Foundations²) to test the market's interest to deliver a similar service - Minor Adaptations Service³. Only 1 organisation responded. Potentially this is due to the small scale nature of the work to be delivered at a local level which makes it not viable for organisations.
- Yorkshire Housing have indicated an initial interest in providing the service but this would be subject to negotiated contract terms which may not be economically favourable to this Council.
- Team not integrated within Belle Vue Square limiting efficiencies through rationalisation of process and improved communication
 - Potential to be the least responsive to meeting wider council objectives and adding resilience to existing services and teams due to the restrictive nature of contractual arrangements.
 - This is potentially the most expensive option

5.3 Partnership working with another Local Authority

Proposal: To work in partnership with another Local Authority to deliver the Technical Support element of DFG work

Harrogate Borough Council have indicated that they would be prepared to carry out the Technical Support role at "open book" plus 8% and take on the TUPE responsibilities for the Technical Officer post.

- Advantages:
- Additional resilience of Technical Support to cover absence as working within a larger team
 - Improved communication pathways due to Caseworker/ Administrator post located within the Environmental Services & Housing team creating efficiencies.
- Disadvantages:
- Team not integrated within Belle Vue Square limiting efficiencies through rationalisation of process and improved communication
 - Joint procurement of Approved contractors may preclude locally based small contractors who currently undertake DFG works
 - This option would be more expensive than in-house provision

² Foundations are the national professional body for Home Improvement Agencies

³ Market Engagement carried out June 2017 to deliver NYCC's statutory responsibility to provide minor adaptations (grab / bannister rails, half steps etc.) with effect from 1 April 2018 – CDC registered interest and a n other organisation responded

5.4 In-house Full Service

Proposal: To integrate the DFG administration and support within the Environmental Services & Housing Team. To review the new Adaptations service following a period of 6 months to maximise its economic efficiency and effectiveness.

- Advantages:**
- An integrated “Adaptations” team would reduce administrative burdens and aid communication with the benefit of speeding up the process for the applicant and creating efficiencies.
 - As employees based within the Council we will have the flexibility (not restricted by Contract Agreements) to respond to local challenges and make effective use of the staffing resource available.
 - Delivery of the Technical Support in house will make best and full use of the new IDOX-Uniform software to deliver a more efficient service – freeing up time for the Technical Officer and Administrative posts to direct their skills to improving and expanding service delivery.
 - Capacity to deliver additional services would potentially enable the new Adaptations Service to draw in funding to offset the budget requirement such as:
 - a) Homelessness Prevention Grant⁴, Flexible Homelessness Grant⁵ or Homelessness Reduction Grant⁶ funding to deliver older/disabled specialist housing advice in line with Best Practice⁷.
 - b) Private works: Contract management and technical support for private works charged to the customer
 - c) Bidding for the NYCC Minor Adaptations contract due Autumn 2017 to deliver Minor Adaptations⁸

- Disadvantages:**
- Potential for the surplus resource to be under-utilised
 - Rationalisation of the staffing resource would likely incur redundancy and recruitment costs
 - Additional management costs could result from future service reviews

⁴ Annual Non-ring-fenced grant from Department of Communities & Local Government

⁵ Ring-fenced grant from Department of Communities & Local Government paid 2017/18 and 2018/19 @ £40,000 per annum

⁶ Ring-fenced grant from Department of Communities & Local Government – 2017/18 and 2018/19

⁷ Promoting Best Practice in the Commissioning of Disabled Facilities Grants Through the Better Care Fund – Association of Directors of Adult Social Services, County Councils Network and the District Councils Network – Draft 2017

⁸ Procurement process commenced June 2017 – CDC has registered interest and specification for full tender is due September 2017. Clarification required as to whether Local Authority would be exempt from being required to go through full tender process.

6 Conclusion and Cost implications:

The following table shows cost comparisons for each option:

	1 BASIC	2 OUTSOURCE	3 PARTNERSHIP	4 IN HOUSE
Salary Costs	15,090		79,330	73,450
Travel			4,710	2,720
IT/Telephone	1,110		2,710	2,620
Redundancy	11,120			
External Services		85,980		
TOTAL	27,320	85,980	86,750	78,790
Funded by:				
Applicant fees (see 4.7)⁹		25,260	25,260	25,260
DFG ALLOCATION (see 4.6)	16,200	37,970	37,970	37,970
Other Housing Grant			6,030	6,030
Revenue Budget Requirement	11,120	22,750	17,490	9,530
TOTAL	27,320	85,980	86,750	78,790

Option 1 is the cost after rationalisation of staffing resource

Option 2 is the forecast contract cost based on 2017/18 staff cost and original contracted overheads uplifted for current inflation.

Option 3 is the cost indicated by Harrogate Borough Council based on current staff costs and overheads plus 8%

Option 4 is the full estimated costs based on the transfer of current terms and conditions (i.e. 35 hour week, 30 days holidays, matched +0.45% pension contribution) and level of staffing (i.e. 2.0fte) required to be TUPEd. Following the 6-month review of the transferred service and the employment contracts being harmonised with Craven District Council terms and conditions, it is envisaged that this cost would reduce.

Also, Option 4 is the cheapest for delivering a full service on the assumption that a basic grant service without technical support is not acceptable. It also provides the greatest flexibility to tailor the service to future needs and to rationalise costs as the service evolves.

⁹ Applicant Fees based on 15% cost of works – see 7.1.2

7 Implications

7.1 Financial and Value for Money (vfm) Implications

7.1.1 As indicated in the report, the cost of providing a full in-house service for 2018/19 is £78,790 (maximum) which will be funded by:

- Grant and fees £63,230
- Additional revenue budget £15,560

7.1.2 A supplementary revenue bid will be submitted to Members following approval of the recommendations in paragraph 2.

7.1.3 Value for money would be best achieved by adopting an in-house provision as the Council would be in the best position to procure cost efficient local contractors and to tailor future service provision to meet future needs.

7.2 **Legal Implications** – The identified legal implications in relation to this report are:

- a) Housing Grants, Construction and Regeneration Act: Local Authorities are under a statutory duty to provide grant aid to disabled people, including Disabled Facilities Grants;
- b) Regulatory Reform (Housing Assistance) (England and Wales) Order 2002: Provides general powers for the local authority to give discretionary assistance and removed the ring-fence from the DFG budget enabling the flexible use of DFG to deliver adaptations to meet the assessed needs of disabled people;
- c) If Members are minded to approve the recommendations set out at paragraph 2, it will be necessary to comply with the relevant TUPE Regulations;
- d) The Council's Contract Procedure Rules will be applied to the subsequent procurement of Packages of Work¹⁰ and the Approved Contractor Listing¹¹.

8 Contribution to Council Priorities –

a) **Craven District Council – Council Plan 2017 - 2020**

Priority: Resilient Communities.

Contribution: Reducing health and wellbeing inequalities through the provision of adaptations enabling older and disabled people maintain their independence within their homes.

b) **Craven's Housing & Homelessness Integrated Action Plan 2017/18**

Priority: Maintain and improve the quality of existing housing.

Contribution: Improving health outcomes and the wellbeing of residents by investing in and improving housing. As a statutory function, the Disabled Facilities Grant is an important Housing Renewal Policy intervention enabling residents to live independently in their own homes.

¹⁰ Packages of Work are where certain regular jobs (i.e. installation of a stair lift, installation of a level access shower, etc) can be 'packaged' and put out to procurement so a fixed price can be agreed. Successful tenders are then drawn upon on a rotational basis to deliver these 'packages' without further tendering thus significantly speeding up the DFG process.

¹¹ Approved Contractor List includes contractors which have met the requirements of a Pre-Qualification Questionnaire

9 Risk Management

Delivery of Disabled Facilities Grants is a statutory function. Reduced efficiency would seriously compromise the Council's reputation and importantly affect the health and wellbeing of elderly and vulnerable households.

Close monitoring of the financial implications to the Council would be required and appropriate action taken if the service exceeds budget.

10 Equality Analysis

The Council's Equality Impact Assessment Procedure **has been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1- Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

11 Consultations with Others –

North Yorkshire County Council – Health & Adult Services
Yorkshire Housing
Personnel Services
Corporate Leadership Team

12 Access to Information: Background Documents – None**13 Author of the Report – *Nina Pinder, Housing Policy & Contracts Officer*
Tel: 01756 706392 npinder@cravendc.gov.uk**

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

14 Appendix

Supporting information.