

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

Date: 8 November 2017

Support for Independent Living in Staffordshire Service

Future Delivery of Disabled Facilities Grants

Submitted by: Mike O'Connor

Portfolio: Planning and Housing

Ward(s) affected: All

Purpose of the Report

The report provides details of a proposed service to support independent living across Staffordshire which will include the delivery of Disabled Facilities Grants. It also seeks approval to participate in the county wide procurement and appointment of an appropriate provider.

Recommendations

- a) That Cabinet approve the participation of the Council in the procurement of a new service to support independent living including the delivery of Disabled Facilities Grants in the Borough for the contract term referred to in the report unless otherwise agreed in consultation with the Portfolio Holder.
- b) That following a competitive tendering process administered by Staffordshire County Council the Executive Director for Regeneration and Development in conjunction with the Portfolio Holder for Housing and Planning be authorised to agree the appointment of a contractor to deliver a service or to withdraw the Council from the process (reporting back to Members as appropriate in the event of any significant resourcing or service delivery issues arising from the latter).
- c) That officers be authorised to sign, if appropriate, a Partnership Agreement and a funding agreement with Staffordshire County Council and to take all the necessary and associated steps to facilitate delivery of the new service.

Reasons

The contract with the current provider expires at the end of March 2018. A new commissioning process is necessary and the opportunity is being taken to provide a more holistic service to compliment the aims of the Better Care Fund.

1. **Background**

Disabled Facilities Grant's (DFG's) are means tested grants to fund essential housing adaptations which help disabled people stay in their own homes. The majority of schemes in the Borough involve providing stairlifts, external ramps and the conversion of bathrooms to shower/wet rooms.

There is a statutory obligation for the Council to provide grants in relation to disabled adaptations under the 'Housing Grants Construction and Regeneration Act 1996'. At present, funding is provided by the Department for Communities and Local Government (DCLG) through the Better Care Fund and this intended for the sole purpose of providing DFG's under the Act.

Vulnerable households find it difficult to access assistance and Home Improvement Agencies (HIA's) have developed to assist vulnerable people fully consider their housing options and where appropriate to negotiate the processes necessary for them to make applications for grant assistance and find reputable contractors, thus enabling them to remain living at home in safety.

This service is currently being delivered by Staffordshire Housing Association through their Home Improvement Agency [HIA] trading as Revival for all of the districts within Staffordshire in partnership with Staffordshire County Council, which is the Contracting Authority. Revival staff visit applicants at home; provide advice, carry out a means test and seek competitive costs for works from a contractor. In the Borough Council officers check and approve the grant, monitor the quality of works and pay the final accounts on completion. This work is currently funded through the DFG budget allocation. In addition to adaptation works, the HIA also provides advice service to service users. This has previously been funded by Staffordshire County Council although in the current financial year it has been funded by the member District Councils. The current contract arrangements come to an end on 31st March 2018 and as such new arrangements are required to deliver the service from 1st April 2018.

Options Considered

a) Mandatory Service only

The Council has a statutory obligation to approve a valid grant application and pay a grant upon satisfactory completion of works. There is no obligation to provide technical services or advice, so reverting to the mandatory process would place the entire onus onto vulnerable people to fully consider their housing options and to negotiate the processes necessary for them to make applications for grant assistance. This option would put at risk the two FTE staff employed by the Council to provide technical support and advice.

There would be a drop in applications as vulnerable users would find it difficult to successfully apply, resulting in an increase in unmet demand in the area, whilst funding for works available would not be spent.

b) Deliver an HIA service in house

Two FTE officers already approve grants and complete supervision visits to check the quality of the works for which grant is claimed. The in-house option would enable the Council to extend its role to include client advocacy helping applicants to initially design schemes, exploring funding options, completing

forms and obtaining necessary permissions as well as engaging suitable contractors. This provides a full one stop-service and is a model used in some Local Authority areas enabling control of the grant funds allocated.

The proposal would require additional staff to carry out the advocacy caseworker roles and additional technical services in order to deliver grants within timescales. Whilst it will not be necessary to TUPE transfer our current two technical officers there may be TUPE implications from the existing service provider.

The service would not be able to benefit from a larger county wide partnership able to develop a wider range of consistent services to disabled residents and develop better strategic links with Social Services and NHS Clinical Commissioning groups who jointly manage the Better Care Fund.

c) Retender HIA as a Borough only service

This option would require the Council to retender the current service either alone or in partnership with other Districts without support from the County Council. This would be resource intensive to set up within the current timescale and the resultant service would not be able to benefit from involvement in a larger county wide partnership. It is unclear how this option would impact upon the Council's existing staff resources but there would appear to be scope to dovetail with the in-house capacity and expertise.

d) Procure a new county-wide service in partnership with Staffordshire County Council

The requirement to tender the service and changes to the funding which now includes the capital grant within the Better Care Fund provides an opportunity to review the delivery of the service and procure a new improved comprehensive service.

The County Council has agreed to work in partnership with the Districts to lead a DFG Transformation Project to help shape a new service and to be the Contracting Authority for a procurement process.

Should the new contractor be commissioned there will be a requirement for two current in-house staff to be transferred under TUPE provisions to the new service provider.

3. Proposal and Reasons for Preferred Solution

It is proposed that the Council pursue option (d), progressing towards participation in the development of a county-wide service, commencing with competitive tendering.

It is anticipated that the new arrangements will enable a wider range of services to be delivered within the existing budget envelope, with the inclusion of advice and assessment services as well as home safety and security. It is expected that there will be a greater degree of prevention that will allow funding to be stretched further. It is also envisaged that the new service provider will seek to use innovative procurement methods and take advantage of the combined budget allocation to enhance value for money in delivery of the service.

4. **Developing the new Service**

Six of the eight districts in Staffordshire have agreed in principle to work together along with Staffordshire County Council, to procure and deliver a new DFG and advice service that will come into effect from 1st April 2018. The new service will be called “Support for Independent living in Staffordshire” and it is anticipated that it will deliver an all-inclusive service to users. This will include an assessment service, the provision of advice and the completion of adaptations as required under the ‘Housing Grants Construction and Regeneration Act 1996’. It will continue to be funded through the DFG budget allocation from DCLG routed through the Better Care Fund.

A considerable amount of work has been done by officers from the six Districts and the County Council to design a new service that will meet the needs of service users whilst taking into account the financial pressures across all organisations and recognising the fact the Districts and the County Council have differing statutory obligations. Soft market testing and service provider events have been conducted to ensure that a specification is realistically achievable and to ensure that there is genuine appetite within the market to deliver the project as specified. As a result a specification has been agreed for the service which will be used for the purposes of inviting competitive tenders. The soft market testing has shown that for the project to be successful service providers would need sufficient time to develop services and as such tenders will be invited for a contract period of 5 years with the option to extend to a maximum of 7 years.

Under the new arrangements Staffordshire County Council will be the Contracting Authority with the six Districts being parties to a ‘Participation Agreement’. There will be a Strategic Management Board made up of the District Chief Executives and a Director from Staffordshire County Council. Furthermore, a Project Steering Group consisting of representatives of the Districts and Staffordshire County Council will be responsible for overseeing the operational and performance management of the contract.

To ensure that the service will be in place by next April a tender officers group has met regularly and agreed a specification. The first stage of the tender process has commenced. The outcome will be known by the end of the year and this will be reported to the Portfolio Holder who will be advised if it would be appropriate for the Council to agree to the appointment of a contractor or to withdraw the Council from the process.

5. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

The provision of a service to assist disabled residents clearly contributes to meeting the corporate priorities to provide a clean, safe and sustainable Borough, a healthy active community and becoming a co-operative council by delivering high quality community driven services.

6. **Legal and Statutory Implications**

The Council is required by the Housing Grants and Construction and Regeneration Act 1996 to approve a valid application for a DFG but before it does this it must consult with Social Services on the adaptation needs of those seeking a DFG.

It is proposed to use powers provided in the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 to not only provide the mandatory assistance but also offer more flexible preventative alternatives linked to local health and social

service priorities taking into account increased funding from the Better Care Fund. Should the Council agree to proceed the administration of DFG's will be taken on by a new provider and the current financial assistance policy will need to be amended and approved.

The County Council will be the contracting body for the service and will be legally responsible for the procurement and operation of the contract. The funding partners will be the following District Councils', Lichfield, Newcastle, Tamworth, South Staffordshire, Stafford, Staffordshire Moorlands and Tamworth subject to a signing a participation agreement and a passporting funding agreement.

Should the new contractor be commissioned there will be a requirement for two current in-house staff to be transferred under TUPE provisions to the new service provider.

7. **Equality Impact Assessment**

The Provider of the service will be required to ensure that the service is easily accessible to everyone, particularly individuals with a protected characteristic as defined by the Equality Act 2010.

8. **Financial and Resource Implications**

The Council has a statutory duty to provide a DFG, irrespective of the funds available, where an application has been approved. The Government allocates a Disabled Facilities Capital Grant to the Council within the Better Care Fund which should be passed in full by the County Council except where with the express agreement of the Council part of the allocation can be used for other social care capital projects.

A Better Care Spending Plan is being prepared county wide to ensure that unallocated funding is not lost to the County as a whole. To avoid this there would be a general contingency fund and a loan account from which overspending authorities would draw from. Whilst it is sensible to ensure that surplus funds are kept within the County, this does seem to be the start of a pooled funding arrangement where funds earmarked by DCLG based on need, to the Borough could be allocated to other districts in the County, so safeguards will be necessary. To that end it is intended that regular (at least quarterly) service delivery and budget monitoring arrangements will be established with the Portfolio Holder.

With regard to tendering the new service currently, only those services which result in capital works, or avoidance of capital works can be funded through the DFG. It is expected that there will be a review of Disabled Facilities Grants (DFGs) by the Government during winter 2017-18 and the content of the Service Specification will be dependent on what is permitted under the new guidance. Accordingly in the Services Specification "Required" services are those services specified under the current legislation and "Additional" services are those services the guidance may be amended to include. Therefore the Contracting Body intends to buy the "Required" services and may buy the "Additional" services.

9. **Major Risks**

A risk assessment has been completed by the County Council in consultation with the Districts. The status of the assessment is reported to each meeting of the

Strategic Partnership Board. The current risk statement is available upon request from officers.

10. **Key Decision Information**

The service provider will operate Borough-wide, thereby affecting all wards. Notice of this report was included in the Cabinet's Forward Plan for the period in which the meeting is to take place.