

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S  
REPORT TO**

**Cabinet**  
**06 September 2022**

**Report Title:** Disabled Facilities Grant Service from 1<sup>st</sup> April 2023

**Submitted by:** Director of Sustainable Environment and Operations

**Portfolios:** Community Safety and Wellbeing

**Ward(s) affected:** All

**Purpose of the Report**

To request Cabinet authority to proceed with preparations to deliver the Disabled Facility Grants service from 1<sup>st</sup> April 2023 when the contract for the current service ends.

**Recommendation**

That Cabinet:

- 1) Approve the project plan for activities leading up to the new service on 1<sup>st</sup> April 2023, noting that regular progress updates will be provided to the Executive Director for Sustainable Environment and Operations the Portfolio Holder for Community Safety and Well-being.
- 2) Authorise the Executive Director for Sustainable Environment and Operations in conjunction with the Portfolio Holder for Community Safety and Wellbeing to agree the appointment of a contractor to deliver the Occupational Therapy expertise to the service following a competitive tendering process led by Stafford Borough Council
- 3) Approve the use of the Dynamic Purchasing System, being developed in partnership with 4 other Staffordshire Local Authorities, for obtaining estimates from suitable contractors for adaptation works.

**Reasons**

A Staffordshire County Council contract to provide the Disabled Facilities Grant service via a commissioned service ends on 31<sup>st</sup> March 2023. The contract will not be extended nor will the service be recommissioned by Staffordshire County Council. There is thus a need to review our options and prepare to deliver the service from 1<sup>st</sup> April 2023.

1. **Background**

- 1.1 Disabled Facility Grants (DFGs) are for home adaptations to promote safe independent living. They can range from a simple stair lift to a ground floor extension for bedroom & bathroom access and can be often life changing for the recipients. Funding comes from Central Government via the Better Care Fund managed by Staffordshire County Council. However the statutory responsibility for their delivery rests with the council.

- 1.2 During 2017 Newcastle-under-Lyme joined a Staffordshire County Council led procurement exercise for Staffordshire Independent Living Service (SILIS), a Home Improvement Agency that would deliver DFGs throughout the county.
- 1.3 Expected benefits of this were around having a hub of expertise, economies of scale with contractors and the supply chain and ending a perceived postcode lottery throughout the county on funding and timescales.
- 1.4 Staffordshire County Council also took the opportunity to make changes to their Occupational Therapy service removing DFG referrals from their contracted service to be picked up by the SILIS contract.
- 1.5 The SILIS contract was let by Staffordshire County Council to Millbrook Healthcare Limited and began on 01.04.18 with a contract end date of 31.03.23.
- 1.6 The Governance of the contract has been through the SILIS Steering Group made up of local authorities who are part of the contract and Staffordshire County Council. The SILIS Steering Group commissioned contract management support to help in this role.
- 1.7 In autumn 2021 the SILIS Steering Group commissioned a review of the contract and option appraisal for the service post 31.03.23. This concluded that the contract would not be extended or recommissioned by Staffordshire County Council with the service to return to being delivered by the local authorities.
- 1.8 The Local authorities who are part of SILIS Steering Group have sought to work together as much as possible relating to the key common tasks for returning the DFG service to local delivery.
- 1.9 This report relates to the progress in preparing to deliver the service from 31.03.23 and the key joint activities.

## 2. **Issues**

- 2.1 In order to return the service to being delivered by the Council there are a number of considerations and preparations. These have been pulled together into a project plan.

### **Project Plan**

- 2.2 The project plan identifies the key actions and intended outcomes to be prepared to deliver the service from 31.03.23. This covers the exit strategy from the current service, TUPE arrangements, Occupational Therapy Services, Contractor management, front door process, accommodation, ICT and Housing Assistance Policy which will cover the application processes and fees on grants.
- 2.3 The project plan, for approval, is attached at appendix 1. There are two key items in the project plan that are also the subject of the recommendations and discussed further below.

### **Occupational Therapy Services**

- 2.4 Prior to the current contract occupational therapy services were provided by Staffordshire County Council, the move to a commissioned service saw this become part of that service funded via the DFG grant. With the service returning to being provided locally occupational therapy support needs to be part of the service.

- 2.5 A report commissioned by the SILIS Steering Group identified options of directly appointing an occupational therapist or commissioning the service either individually or as a shared approach with groupings of authorities.
- 2.6 The proposed solution is to participate in a Stafford Borough Council led procurement exercise for occupational therapy services to each local authority. This has the advantages that the providing organisation ensures clinical governance and maintains a pool of experienced staff delivering to agreed standards, there is consistency throughout Staffordshire, so no 'postcode lottery' for fundable works and the local authorities are working together not competing against each other for services.

### **Contractor Management**

- 2.7 The need to manage and monitor an approved contractor list for obtaining estimates for adaptations was one of the benefits identified in joining the Staffordshire County Council commissioned service. A robust mechanism for this therefore needs to be part of the project plan. A report commissioned by the SILIS Steering Group identified an option of joining a Dynamic Purchasing System (DPS) which has many benefits over the Council developing our own approved contractor list.
- 2.8 Contractors wishing to carry out DFG adaptations will be invited to follow the vetting process to join the DPS. Estimates for work are then sought via the DPS with start and completion dates stated as part of the requirements to ensure works are carried out promptly once a grant is approved.
- 2.9 A Dynamic Purchasing System (DPS) is recommended as
- There is vetting process for contractor joining the system.
  - It is fair to all contractors irrespective of size, location and amount of DFG work undertaken.
  - It includes plan drawing, a skill difficult to maintain in house.
  - All works would be required to have an insurance backed warranty.
  - There is an audit and complaint process in relation to quality of works.
  - It ensures funding decisions using public money are compliant with Public Contracts Regulations 2015.
- 2.10 There is a 1% fee on the cost for the works for utilising the DPS this can included as a fee on the DFG. This ensures that Council Technical Officer Skills can be targeted at checking technical details of applications and site supervision which are fundamental to a smooth experience for the applicant once works are on site.
- 2.11 This is a shared project with other Staffordshire authorities with oversight being provided by consultants engaged to support the SILIS Steering Group in managing the current contract.

### **Housing Assistance Policy**

- 2.12 The Council currently has a published Housing Assistance Policy which covers the grants available, fees and the application process. This document will be reviewed and updated as the project develops and will be presented to Cabinet early in 2023 as final preparations are made. In March 2022 a new Good Practice guide was published by Government which will guide the development of the policy.

3. **Proposal**

That Cabinet:

- 3.1 Approve the project plan for activities leading up to the new service on 1<sup>st</sup> April 2023, noting that regular progress updates will be provided to the Executive Director for Sustainable Environment and Operations the Portfolio Holder for Community Safety and Well-being.
- 3.2 Authorise the Executive Director for Operations and Sustainable Environment in conjunction with the Portfolio Holder for Housing and Wellbeing be authorised to agree the appointment of a contractor to deliver the Occupational Therapy expertise to the service following a competitive tendering process led by Stafford Borough Council.
- 3.3 Approve the use of the Dynamic Purchasing System, being developed in partnership with four other Staffordshire Local Authorities, for obtaining estimates from suitable contractors for adaptation works.

4. **Reasons for Proposed Solution**

- 4.1 A Staffordshire County Council contract to provide the Disabled Facilities Grant service via a commissioned service ends on 31<sup>st</sup> March 2023. The contract will not be extended or the service recommissioned by Staffordshire County Council hence the need to review our options and propose returning the service to local authority delivery. The preferred solution also makes the most of opportunities to share the approach with other local authorities and to jointly commission services.

5. **Options Considered**

- 5.1 The Staffordshire Independent Living Service Steering Group commissioned an Option appraisal report to consider the options for service delivery post 1<sup>st</sup> April 2023. Options identified were;
- 5.2 Recommission the service as a group of six local authorities. Market testing identified a lack of suitable providers to deliver such a service.
- 5.3 One local authority to lead on developing a shared service for all six authorities. Some of the difficulties with the current contract related to scale which would not be overcome by this approach.
- 5.4 Local Authority groupings to deliver the service in house or through a Home Improvement Agency. It has not been possible to progress this model however the local authorities who were members of the SILIS Steering Group are working together in relation to the Occupational Therapy Service and the Dynamic Procurement System.
- 5.5 Do nothing, this is a statutory service backed by a government funded budget therefore do nothing is not an appropriate option.
- 5.6 Provide a basic service which offers no support to residents who apply for a grant. For many residents this would be an acceptable proposal but would not support vulnerable residents who have difficulties accessing services and articulating needs. Therefore it would adversely affect vulnerable residents.

## 6. **Legal and Statutory Implications**

- 6.1 The Council is required by the Housing Grants Construction and Regeneration Act 1996 to approve valid applications for DFG. Additional powers are 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 identified through the Better Care Fund.
- 6.2 Procurement for the Occupational Therapy service is a joint project being led by Stafford Borough Council.

## 7. **Equality Impact Assessment**

- 7.1 The proposal is intended to have a positive impact on residents who have a disability and are eligible for a DFG by speeding up the process and quality of work. Also by seeking to develop innovative policies and practices once the service has become established.
- 7.2 No negative equality impacts have been identified.

## 8. **Financial and Resource Implications**

- 8.1 The Council has a statutory duty to provide DFGs, irrespective of the funds available. The Government determines the Disabled Facilities Grant allocation to the Council which is contained within the Better Care Fund provided to Staffordshire County Council. Funds are passed to the Council through a pass porting agreement.
- 8.2 Previously contract procurement and currently SILIS Steering Group contract management is funded through top slicing the DFG budget.
- 8.3 The current contracted service is funded by a fee on the grant, it is proposed to continue this approach to allow the service to have no budgetary impact. The proposed fee will be put forward for approval with the Housing Assistance Policy in early 2023.

## 9. **Major Risks**

- 9.1 A risk register is attached at appendix 2. The key risk is that the service is not ready for commencement on 01.04.23. The purpose of having the project plan and risk register is to ensure the service development and launch is carefully planned and potential risks mitigated.
- 9.2 A further key risk is delivery of the service in the run up to 01.04.23 during the exit strategy phase of the current provider. A robust exit strategy is being developed and the service will continue to be closely monitored by the SILIS Steering Group.

## 10. **UN Sustainable Development Goals (UNSDG)**

- 10.1 The proposal contributes to the following UN Sustainable Goals.



11. **Key Decision Information**

11.1 This is a key decision as the annual DFG budget for 2022/3 is £1,715,114. In 2021/22 the budget supported the adaptation of 195 properties.

12. **Earlier Cabinet/Committee Resolutions**

12.1 The DFG service was previously considered in 2017 when it was agreed to join the county procurement process.

<https://moderngov.newcastle-staffs.gov.uk/ieListDocuments.aspx?CId=118&MId=2934>

13. **List of Appendices**

13.1 Appendix 1 – Project Plan

13.2 Appendix 2 – Risk Assessment

14. **Background Papers**

14.1 Supporting Independent Living in Staffordshire (SILIS) Delivery Options for the DFG Service from April 2021 – June 2021 by Cherrywhite Consultancy Services Ltd & ARK Consultancy Ltd.

14.2 Procurement of building contractors on behalf of the new insourced/ shared dfg services - ARK Consultancy Ltd – June 2022.

14.3 OT assessments procurement options - Cherrywhite Consultancy Services - 7-05-2022

## Appendix 1 -- Project Plan

Item	Action	Proposed outcome	Start date	Completion date / progress
1	<b>Project Plan</b> approval	Cabinet approval to proceed with activities	01.08.22	
2	<b>Exit Strategy</b> implementation	A structured transfer of the service in a way that minimises applicant and contractor disruption	01.09.22	
3	<b>Risk Assessment</b>	Risks identified, mitigation identified and monitored.	01.08.22	
4	Participate in the <b>procurement of an Occupational Therapy</b> service provider led by Stafford Borough Council	Commissioned service providing robust occupational therapy assessments and adaptations recommendations	06.09.22	
5	Establish a <b>Dynamic Procurement System</b> that can be used to obtain estimates for grant eligible work from approved contractors	Robust process for obtaining estimates from quality checked contractors with completion	14.08.22	
6	Establish <b>TUPE</b> process for staff of current provider The contract is between Staffordshire County Council and Millbrook Healthcare, however Millbrook Healthcare provide services directly to the local authorities. TUPE will therefore apply and the activities are ongoing with the County Council to understand what TUPE arrangements will look like and the numbers and job descriptions of staff to be transferred to the authority. The background paper Delivery Options for the DFG Service post 01.04.23 identifies the reasons the contract is not continuing or being recommissioned and why TUPE applies.	Understanding of staff numbers to be transferred under TUPE allowing a further consideration on staffing numbers and requirements.	commenced	
7	<b>Staffing</b> Interdependent with item 6 to plan for any staffing gaps and recruitment requirements.	Appropriate staffing levels		
8	<b>Develop a landlord application route</b> Agree a social landlord application route initially working with Aspire, to allow them to support their tenants directly whilst maintaining an overview of best use of the housing stock.	Meeting good practice guidance and making social landlord approval for adaptations a more efficient process	commenced	
9	Develop the Council <b>front door</b> process	Service is fully integrated with One Front Door process and utilises web interactions	06.09.22	



	<p>Confirm the <b>Application model</b></p> <p>It is proposed to have 4 main routes, Landlord application – landlord establish if able to support application and if so to obtain drawings and costings through own frameworks – able to charge a % fee for completion and supervision – funds released to landlord on completion.</p> <ol style="list-style-type: none"> <li>1. Direct application – applicant completes forms obtains estimates and submits full application once approved continue with self-management – funds released to the applicant once works satisfactorily complete. This ensures that residents who are able are empowered to manage their own grant process and works.</li> <li>2. Equipment application – ie stair lift, step lift, through floor lift, modular ramp – fast track process for equipment items only.</li> <li>3. Supported application – local authority case workers and surveyors</li> </ol>	Straightforward application model providing support where needed and independence where it is not.	01.01.23	
10	<p><b>Housing Assistance Policy</b></p> <p>Interdependent with items 5, 8 &amp; 9</p> <p>Develop a revised Housing Assistance Policy to reflect the new service and processes and good practices. Policy to be put forward for Cabinet approval early 2023.</p>	Working to an approved good practice policy	Feb 23	
11	<b>Develop fee</b> to be levied on grants as part of the grant payment	Service is operated at cost to the Council	Feb 23	
12	<p>Ensure appropriate <b>office accommodation</b></p> <p>The service coming in house will increase the number of Castle House users. Due to the flexible use of the building and remote working is envisaged this can be accommodated within the existing Regulatory Service areas.</p>	Service has appropriate IT hardware and systems and office space		
12	<b>Induction</b> to council on day one for new staff	Staff feel confident and able to deliver the service as soon as possible from transfer	01.04.23	
13	<p><b>Continuous improvement</b></p> <p>Transferring the service is a major project that will take time to bed in and become established. It will be subject to ongoing reviews to ensure processes are working and to identify improvements.</p>	That the service continues to develop and improve	From 01.04.23	



## Appendix 2 – Risk Assessment

Risk	Mitigation
Performance of current provider dips in the run up to 31.03.23	Ensure clear and precise communication with provider so staff understand the implications. Agree clear joint communications at all stages. Continue with regular contract monitoring throughout the period.
Service not ready for Go-Live in April 2023	Robust project plan, carefully managed to ensure service is ready.
Occupational Therapy procurement fails to identify a supplier	Authorities working together to ensure a consistent clear service requirement where local authorities are not competing against each other for suppliers
Staffordshire authorities fail to work together on joint projects	Good history of joint working through the SILIS steering group and access to support already commissioned by the group.
ICT not in place/loss of data	The Council currently has access to all data under data sharing protocols – all live cases will need to be input into the system in use in the service area
TUPE Implications – potential poor data relating to staff or staff without the required capabilities	Specialist advice regarding TUPE implications to be sought. TUPE staff to be provided with clear objectives and support and appropriate management if the standards are not met.
Recruitment and retention of staff	Ensure clear job descriptions and appropriate reward for roles. Robust records and systems to be in place. A lack of single person reliance wherever possible.
Contractor communication at time of transfer & ongoing	Clear communication with contractors. Use of easy systems for quoting for works and trusted/swift payment mechanisms.
Cost of delivery increases	Materials and labour costs are known to be increasing currently. Cost to deliver the HIA is likely to be higher than current service provision. Clear service requirements and management of the staff delivering to ensure both quality and quantity of work being delivered.
New service fails to deliver an improved outcome	Robust performance reporting and regular meetings to review service delivery and provide support to the service to deliver effectively.
Customer journey does not improve	Ensuring that the customer remains at the centre of every discussion and decision relating to service delivery.

