

Report of the Director**Disabled Facilities Grant Service****1 Purpose of report**

- 1.1 This report considers the options for delivery of the Disabled Facilities Grant (DFG) service and recommends the part of the service which has been provided by Care and Repair is brought back in house for the council to administer.

2 Executive Summary

- 2.1 The council has a service level agreement with Care and Repair (Spire Homes) to provide a home improvement agency (HIA) service.
- 2.2 At resources committee in March 2018 it was agreed that the fee paid to Care & Repair would be increased to 15% of the net build cost per job to be met through the DFG capital grant budget, however based on this calculation Care & Repair will be unable to continue to run the service on this level of fees, due to reductions in their other funding streams as of April 2019.
- 2.3 Resources committee also requested consideration of future service delivery options and, given that the majority of councils in Northamptonshire provide their own care and repair services, it is proposed the service is provided in house – this will seek to provide harmonisation for DFGs in a new local government organisation.

3 Appendices

None

4.1 The Resources Committee is invited to RESOLVE that the service to deliver all aspects of the Disabled Facilities Grant process is provided by the council with effect from 1 April 2019.

5 Background

- 5.1 Care and Repair has provided a HIA service to Wellingborough since 2005. In January 2017 they advised they needed to increase their fees and at resources committee in March 2018 it was agreed that with effect from 1 April 2018, the council would pay a 15% fee plus VAT calculated on the net build cost for each job completed, with no additional revenue implications. In 2017/18 the fees paid to Care & Repair totaled £19,793.13; with the increase to 15% it is estimated that the total cost will rise to £37,112.12. This agreement will run until April 2019 whilst a decision is made on service delivery.

- 5.2 Care and Repair have advised that the following costs are required to deliver the HIA service on behalf of the council:

Role	Hours	Costs (including NI, Pensions, Travel)
Technical Officer	29	£35,829
Admin	5	£2,817
Management	7.25	£4,173
Total		£42,819

- 5.3 Care and repair receive county council funding via Commsortia, the funding of which we are advised by Care and Repair is uncertain whilst public health funding is reviewed. Therefore this report considers the service delivery options in light of this information and the future local government arrangements.

6 Discussion

- 6.1 The Council has a mandatory requirement to ensure that applications for disabled facilities grants are determined within 6 months and those adaptations are carried out in accordance with the recommendations of the community occupational therapy team. This work is statutorily required; it meets the needs of the council's most vulnerable residents and saves considerable additional public funding on health and care services that would otherwise be required. The following options have been considered for how the service can be delivered:

6.2 Undertake a procurement exercise

- 6.2.1 The contract will exceed Official Journal of the European Union (OJEU) thresholds and a procurement exercise would be required, led by Welland Procurement Unit through an OJEU process.
- 6.2.2 The council commenced work in 2013 to procure a HIA service jointly with East Northamptonshire District Council, however this did not progress as ENC decided the best service delivery model for them was to provide an 'in house' service.
- 6.2.3 Due to the reorganisation of local government in Northamptonshire, re-procurement is unlikely to be beneficial because of the length of the contract which will need to be awarded and because all of the North Northants councils run their own in house DFG service.

6.3 Provide a service for administering disabled facilities grants in house

- 6.3.1 The council approves in excess of 70 DFGs per annum. In 2017/18 there were 232 enquiries for DFGs. The service requires a high level of technical expertise and project management to undertake assessments and oversee the individual and complex building projects.
- 6.3.2 In addition to the technical skills, a HIA service requires assistance to be given to clients to help with their application, apply for appropriate benefits and when necessary, find alternative sources of funding. This is time consuming

and specialist work.

- 6.3.3 The existing private sector housing team would need additional capacity and specialist technical skills which may be available through any potential TUPE arrangements and sharing with the other councils.
- 6.3.4 The in house option would seek to be revenue cost neutral as any additional staffing costs could be met through the DFG capital budget subsidised by central government through fee earning work.
- 6.3.5 This option is recommended as it enables the council to effectively blend its DFG services within a new organisation. It is also revenue cost neutral and will provide a single point of contact for the DFG service.

7 Legal Powers

- 7.1 Housing Grants, Construction and Regeneration Act 1996 (as amended) Localism Act 2011.

8 Financial and Value for Money Implications

- 8.1 The HIA work in the borough is currently funded through payments of 15% of the total build cost of the works from the DFG capital budget. 20% VAT is charged on any fees paid out from a DFG grant because the grant is awarded to the client to cover the costs of the work and therefore the council cannot reclaim the VAT. All these costs are recovered from the capital grant provided by central government. The government allocation for the council in 2018/19 is £540,709.
- 8.2 Should the service be brought in house, the additional staff resources required will be funded by the DFG capital budget. Additional staff would be required to deliver the design, tendering, supervision of works and case worker support. As this additional staff resource is directly attributable to delivering DFGs then it will be possible to capitalise these costs. The current service arrangements also pay for these costs from the capital budget as part of the fees paid to Care & Repair so the level of change to the capital budget is likely to be minimal.

9. Risk Analysis

- 9.1 The council is required to deliver DFGs to comply with its statutory duty. The council is required to have adequate capital resources to meet the council's statutory obligation to approve DFGs. This risk is minimised by the regular monitoring of the DFG budget to ensure that this budget is not overspent. Should the DFG budget spend be likely to be overspent then the council is able to prioritise critical and urgent cases. Once DFG applications have been received the council has up to 6 months to make a decision on the application. Currently, all DFG applications are approved within this 6 month timeframe.
- 9.2 The DFG budget has been underspent in recent years. This is due to a multitude of factors including contractor availability for works and the delay in obtaining Occupational Therapist recommendations from NCC. In

2017/18 there were few applications for large scale adaptations such as extensions. The allocation of DFG funding is due to increase each year until at least 2020. The funding is paid to NCC who are required by the government to pass the DFG funding down to the district and borough councils in full by 29 June 2018.

- 9.3 Recruitment of sufficiently skilled staff is required which potentially could be mitigated by TUPE of current technical staff working for Care and Repair. Technical roles could be outsourced to established services which may result in additional costs which could be capitalised.

10. Implications for Resources

- 10.1 Should the service be brought back in house then there will be implications for resources due to the new staff required to undertake these functions. There may be potential TUPE implications for existing Care & Repair staff who currently deliver the HIA service; however this has yet to be determined, and legal advice is being sought as the current arrangements are through a service level agreement and not through a contract with BCW.

11. Implications for Stronger and Safer Communities

- 11.1 The provision of a DFG service ensures people can remain in their home thereby reducing the incidences of hospital stays and providing enablement from hospital to home. Providing adaptation services reduces the demand for new adapted homes and the requirement for intensive care and support in residential care settings.

12. Implications for Equalities

- 12.1 The provision of an effective service to support applications for disabled facilities grant enabling local residents to maintain their independence has a positive impact on equalities within the borough.

13. Author and Contact Officer

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14. Consultees

Senior Management Team
District Law
Julie O'Connell - Accountancy Team Leader
Patricia McCourt – Assistant Principal Housing Officer
Lorraine Coleman – Senior Human Resources Officer
Yolande Morgan - Branch Secretary, Unison

15. Background Papers

None