

THURSDAY, 19 OCTOBER 2017

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE**FUTURE DELIVERY OF THE DISABLED FACILITIES GRANT PROGRAMME****EXEMPT INFORMATION****PURPOSE**

This reports sets out information on the proposed service delivery mechanism for the future of the Disabled Facilities Grant process, seeks approval to participate in the County wide agreements and sets out arrangements for the appointment of a new County wide service provider.

RECOMMENDATIONS

It is recommended that Cabinet approve:-

- Proposals for the future delivery of the Disabled Facilitates Grant process from April 1st 2018 for a period of up to 7 years.
- Tamworth Borough Council's participation in the County wide arrangement for delivery of Disabled Facilities Grants, subject to the outcome of the competitive tender process.
- Invitation of competitive tenders through a process to be administered by Staffordshire County Council participation agreement.
- Delegation of authority to Portfolio Holder for Assets & Finance and Chief Operating Officer to enter into an agreement for the appointment of a County wide service provider following a competitive procurement process administered by Staffordshire County Council, subject to the outcome of the competitive tender process being favourable to Tamworth Borough Council.

OR

- Delegation of authority to Portfolio Holder for Assets & Finance and Chief Operating Officer to withdraw from the County wide arrangement should it be found that following procurement process it would not be financially viable for Tamworth Borough Council to participate.

EXECUTIVE SUMMARY

There is a statutory obligation for Councils to provide grants in relation to disabled adaptations, this is provided for under the 'Housing Grants Construction and Regeneration Act 1996', at present funding is provided by DCLG through the Better Care Fund, this funding is intended for the sole purpose of providing Disabled Facilities Grants [DFG] under the Act.

The 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 with Staffordshire County Council being the Contracting Authority. The HIA manages the whole process from the point at which an Occupation Therapist [OT] referral has been made through to completion of an adaptation, this work is currently funded through the DFG budget

allocation; in addition to adaptation works the HIA also provides an advice service to service users, this has previously been funded by Staffordshire County Council although in the current financial year this 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.

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. It is anticipated that the new service will deliver an all-inclusive service to service 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', the process 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 the Districts and County Council in designing 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 that each organisation will have differing statutory obligations. Soft market testing and service provider events have been conducted to ensure that the specification is realistically achievable and to ensure that there is genuine appetite within the market to deliver the project as specified. As a result we have an agreed specification for the service that 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, there will also be a Project Management Board consisting of representatives of the Districts and Staffordshire County Council who will be responsible for overseeing the operational and performance management of the contract.

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 it is hoped 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. However it must be recognised that Tamworth Borough Council is in a somewhat unique position in that the budget allocation from DCLG has proven to consistently be insufficient to meet the level of demand and that the inclusion of additional services may exacerbate that position.

The Council has no choice but to deliver Disabled Facilities Grants, the alternative to working with the County and other Districts would be to deliver the service in-house, for the time being the County wide arrangement appears to be the most practical, however we must reassess this once tenders have been received as it may prove to be unaffordable.

Fundamental changes to the way in which the service would be delivered under the new arrangements would mean that we were no longer delivering mandatory grants under the 'Housing Grants Construction and Regeneration Act 1996' as such we would need to implement new arrangements using the Regulatory Reform Order [RRO] process. It is proposed that this be considered once a decision has been made on the outcome of the procurement process and would be subject to a separate Cabinet report and approval process.

OPTIONS CONSIDERED

Do nothing – This is not an option as we have a statutory obligation to provide Disabled

Facilities Grants. The current contractual arrangements come to an end and as such a mechanism for delivery of grants has to be put in place.

Direct in-house delivery – this remains an option for consideration should it not be possible to participate in the County wide arrangements. There is currently a revenue budget in place to fund a technician role, however in order to deliver grants within the required timescales it would be necessary to employ at least one additional full-time technical officer.

In-House using Home Improvement Agency - this remains an option for consideration should it not be possible to participate in the County wide arrangements. There is currently a revenue budget in place to fund a technician role which could be used to fund an administrator to process grant applications. A Home Improvement Agency could be employed to project manage the delivery aspect of the works, the cost of this service would be capitalised against individual grants.

Mandatory process only – under the Act we are obliged to review and approve mandatory grant applications, there is no obligation on us to provide technical services or advice, reverting to the mandatory process would place all of the onus on the grant applicants. There would be a need for an in-house resource to undertake administrative tasks, this could be funded from the existing revenue budget. There would most likely 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.

RESOURCE IMPLICATIONS

It is anticipated that for the duration of the contract the capital works elements will continue to be funded through DCLG allocation to the Better Care Fund, it is not anticipated that there will be any reduction in the annual allocations. All work and the associated services will be funded entirely through the capital allocation.

Should we withdraw from the participation arrangements there will be a need for a revenue resource to fund the management of the DFG process. If we are able to appoint a Home Improvement Agency the revenue costs could be met from existing budgets, if a technical officer is required there would be an additional revenue budget requirement.

If the service is taken in-house there may be TUPE implications from the existing service provider.

LEGAL/RISK IMPLICATIONS BACKGROUND

- The Council has a statutory obligation to provide grants where a valid grant application is received, whatever the outcome the grants service has to continue.
- Following the tendering exercise it is possible that the costs of delivering the service are so high that it would not be possible for us to continue with our participation, this would result in us having to deliver the grants process through other means. Initially it is likely that we would have to revert to accepting mandatory grants only whilst we either set up an in-house service or seek to engage an external service provider on terms more favourable to us. There would be a fall in customer satisfaction and an increase in complaints but we could maintain statutory compliance.
- If we withdraw post tender it could jeopardise the viability of the County wide contract which would have consequences for the other Districts and all service users, this would also have detrimental impact on our reputation.
- The service is already underfunded in Tamworth, it is unlikely that the implementation of the new arrangements will have any positive or negative impact on that issue as we will remain underfunded and will be unlikely to meet our statutory obligations.

SUSTAINABILITY IMPLICATIONS

Although the delivery of Disabled Facilities Grants is, at the time of entering into the

agreement a statutory function that falls to the individual districts the Invitation to tender [ITT] and contract document have been written in such a way that there is no guarantee of a minimum spend level; it has also been made clear that the contract is dependent upon continued funding being available through the DCLG DFG allocations.

BACKGROUND INFORMATION

Disabled Facilities Grants are a statutory function under the 'Housing Grants, Construction & Regeneration Act 1996'. Under the Act District Councils have a statutory duty to provide grants of up to £30,000 for qualifying private sector applicants (excludes council housing tenants). At present the Council receives an annual allocation from DCLG through the Better Care Fund which is administered by Staffordshire County Council.

Although there has been an increase in the allocation from DCLG in 2016/17 and further increases are anticipated in future years it should be noted that the current allocation is insufficient to meet current demand and it is unlikely that even with the increased allocation we will be able to meet the ongoing annual demand.

REPORT AUTHOR

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APPENDICES