

Tuesday, 24 January 2023

Report of the Assistant Director, Assets

Delivery of Disabled Adaptations in Tamworth

Exempt Information

Not Exempt

Purpose

This report sets out the proposals and recommendations for the delivery of Disabled Facilities Grants [DFG] and Disabled Facilities Adaptations [DFA] from 1st April 2023 when the current arrangements with Millbrook under the SILIS partnership arrangement comes to an end.

Recommendations

It is recommended that:

1. The contents of this report are noted.

Executive Summary

The Council has a statutory obligation to deliver disabled adaptations for residents living in Tamworth. Funding is provided each year by Central Government for the delivery of adaptations, this is paid to Staffordshire County Council through the Better Care Fund and is then directly transferred through the various District Councils in order for them to meet their statutory obligations. There is a different route for Council Housing tenants who are not eligible to apply for a Disabled Facilities Grant [DFG], instead adaptations to Council houses are delivered through the Housing Revenue Account capital budgets under the Disabled Facilities Adaptations [DFA] programme.

DFG works are currently being delivered through a contract with Millbrook Healthcare which was set up by Staffordshire County Council and is used by six of the eight districts in Staffordshire. This contract comes to an end on 31st March 2023 and a new arrangement is needed for delivery of adaptations from 1st April 2023; this is delivered under the SILIS Partnership banner.

Four of the six districts currently participating in the SILIS Partnership made the decision to take services back in-house through a series of geographically based partnerships. On 17th February 2022 Cabinet approved in principle the pursual of a shared service arrangement with Lichfield District Council with the view that Lichfield District Council would take the lead in the partnership. Work had commenced on the establishment of the shared service with staffing structures, process maps and ICT requirements having been established. Unfortunately, Lichfield District Council appear to have made the decision to deliver a number of services through an arms-length company arrangement and their view was that they would deliver the Disabled Adaptations service through such an arrangement. Legal advice was obtained and whilst the view was that there was nothing preventing the two Councils forming a new arms-length company it was difficult to establish the benefits when weighed against the risks and additional administration involved.

A number of other factors were considered when looking at making use of an arms-length company; of particular concern was the potential for such an arrangement to create a 'two tier' workforce which goes against the current ethos of Tamworth Borough Council. It was also noted that as Tamworth has a smaller DFG budget than Lichfield there was a risk that much of the years' trading for the company would be dedicated to Lichfield whilst costs were still being met by Tamworth.

Following the decision taken by Lichfield to make use of an arms-length company arrangement for the delivery of adaptations it is proposed that the proposal for a shared service arrangement is now discounted and that delivery of the adaptations service be brought entirely in-house and under the control of Tamworth Borough Council.

Since deciding to deliver services in-house as a single authority work has been progressing on the setup of the service. Process mapping has taken place, application paperwork is in late stages of approval, frameworks and dynamic purchasing systems for contractors are progressing and near completion and a framework for Occupational Therapist services is at the late stages of procurement, with Stafford Borough Council leading.

Regular meetings are taking place with the incumbent contractor to ensure that we fully understand the current waiting list and the level of demand that we are likely to receive on 1st April.

Options Considered

Options	Advantages	Disadvantages	Risks
Traditional Shared Service under Local Authority	<ul style="list-style-type: none"> • The total cost was assumed to be less than if each authority delivers alone. • Resourcing resilience built-in. • No complex Governance arrangements. • No complex management arrangements. • Greater quantum when looking at purchasing and recruitment. • Not in competition with near neighbour for resources. • Proven track record of delivering shared service arrangements. • Deals with all DFG and DFA works. 	<ul style="list-style-type: none"> • Loss of direct control over service delivery. • Less control over operating costs. • Governance more complex than retaining in-house. • Financial management complicated by various grant budgets. • More complex management structure. 	<ul style="list-style-type: none"> • Disagreements result in termination of arrangement meaning additional costs for both parties and extended delivery times for customers. • Inability to recruit would leave both authorities exposed to claims. • Changes to funding makes arrangement for one or other party no longer viable. • Inequity in management, operation, or funding of service delivery. • Host is at greater risk due to the responsibilities of employing the staff and delivering the technical functions to the private sector applicants.
Shared Service delivered through jointly owned company.	<ul style="list-style-type: none"> • The total cost was assumed to be less than if each authority delivers alone. • Resourcing resilience built in. • Greater quantum when looking at purchasing and recruitment. • Not in competition with near neighbour for resources. • Potential for greater flexibility in service delivery. • More flexible when recruiting. 	<ul style="list-style-type: none"> • Loss of direct control over service delivery. • Less control over operating costs. • Governance more complex than retaining in-house. • Financial management complicated by various grant budgets. • More complex management structure. • Additional complexities of 	<ul style="list-style-type: none"> • Disagreements result in termination of arrangement meaning additional costs for both parties and extended delivery times for customers. • Inability to recruit would leave both authorities exposed to claims. • Changes to funding makes arrangement for one or other party no longer viable. • Inequity in management, operation or funding of service delivery. • Additional liability for named company directors. • Applicants could choose to go direct to their respective Local Authority which would

	<ul style="list-style-type: none"> • Preferred model for LDC service delivery. 	<ul style="list-style-type: none"> • running as a separate registered business. • Costs associated with separate business accounts. • Greater input required at senior level in operating the company as opposed to delivery of services. • Applicants could still opt to make an application direct to their own Local Authority. • Potential for two-tier workforce. • Additional complexities if arrangement needs to be brought to a close. 	<p>then have to resource the application process.</p> <ul style="list-style-type: none"> • Company would need to ensure no breaches of PCR or any legislation relating to procurement or business activity.
<p>In-house service delivery by Tamworth only</p>	<ul style="list-style-type: none"> • Maintains direct control over all aspects of service delivery. • Limited Governance required. • Simple organisational structure. • Flexibility to use resources in other areas of the business in line with demands. • Easier to downscale to reflect demand. 	<ul style="list-style-type: none"> • Assumed to be more expensive to deliver services. • Less resilience. • Competing for resources with near neighbour. • More difficult to upscale to reflect demand. 	<ul style="list-style-type: none"> • Ability to recruit staff to deliver the service. • IT systems not likely to be available at start of contract as supplier is geared to delivery of a single system for shared service.

Resource Implications

There is insufficient capacity within the existing structure to deliver disabled adaptations and as such a new team will need to be established to deliver the in-house service. This will be directly funded through the DFG and DFA capital budget allocations.

TUPE is likely to apply to staff currently working on the contract for Millbrook and arrangements will need to be made to fully understand their contractual terms and conditions and to merge them into the Council's terms and conditions. We have recently received more detailed TUPE information from Millbrook and will be working with them to ensure the smooth transfer of staff. It is anticipated that recruitment into the new roles will commence in February 2023 so that there will be resource in place for the commencement of the contract.

The services of an Occupational Therapist will be required to undertake assessments of applicants for disabled adaptations. Stafford Borough Council is procuring a Framework for these services and Tamworth Borough Council has been named as a participant on that Framework, it is therefore proposed that this Framework be used for the delivery of Occupational Therapy Services. The cost of the Occupational Therapist report forms part of the grant payment.

Tamworth Borough Council along with the other districts in Staffordshire are also signed up to the Independence Brokerage Services CIC; this is a Dynamic Purchasing System for the supply of equipment, services and construction related to the delivery of disabled adaptations and it is proposed that this arrangement will be used for the purchasing of equipment and works for Disabled Facilities Grants; works to Council owned properties will continue to be delivered through existing contracts with Equans and Wates.

An IT system will be needed to manage and track cases; initially it was hoped that we would be able to make use of the Foundations Case Manager IT system, however they are not in a position to deliver within our timescales so we are looking to make use of modules within systems we already have. There will need to be some work done with Millbrook and Foundations to transfer data from existing systems. There will be ongoing licensing costs on an annual basis.

Legal/Risk Implications Background

Disabled Facilities Grants are a mandatory service that the Council has to provide; failure to have arrangements in place could result in the Council being forced by the Courts to provide the service.

A key risk for the Council will be the recruitment and retention of staff to deliver the service. Cost inflation will also mean that more grant applications reach the cap which will result in increased unmet demand for adaptations.

The ever present issue of general underfunding of the service remains although it is understood that there are plans to review the funding calculations used to derive the grants.

Equalities Implications

Disabled Facilities Grants and Disabled Facilities Adaptations are a targeted service only accessible by residents of Tamworth with an eligible disability. Disabled Facilities Grants for children under the age of 18 are not means tested, Disabled Facilities Grants for adults over the age of 18 are means tested; this is set out in the relevant legislation.

Environment and Sustainability Implications (including climate change)

None identified as a result of this decision.

Background Information

This matter has previously been reported to an approved by Cabinet.

Report Author

Paul Weston – Assistant Director Assets