

**HOME IMPROVEMENT AGENCY SHARED SERVICE REVIEW
AND DISABLED FACILITIES GRANT BUDGET
(Report by the Housing Strategy Manager)**

1. PURPOSE OF REPORT

- 1.1 This report provides Members with a progress review of the Home Improvement Agency (HIA) shared service following one year of operation. The report also considers the ongoing demand for Disabled Facilities Grants (DFGs).

2. BACKGROUND INFORMATION

- 2.1 The HIA shared service was developed during 2011/12 in partnership with Cambridge City Council and South Cambridgeshire District Council. The new HIA is called 'Cambs HIA' and went 'live' on 1st April 2012.
- 2.2 Cambs HIA is a partnership based shared service with staff being employed by Cambridge City Council, their main office being located within South Cambridgeshire's offices in Cambourne (with hot desking at other locations) and with the IT systems and support being provided by this Council.
- 2.3 One of the main aims of the Cambs HIA is to help people live independently by helping them to access DFGs. The Housing Grants, Construction and Regeneration Act 1996 sets out the Council's duties to provide DFGs. The Council must award a DFG for work to achieve one or more of a set of purposes defined by statute. DFGs are awarded on the recommendation of an Occupational Therapist (OT) and fund aids and adaptations like ramps, stair lifts and level access showers. The maximum DFG is £30k and DFGs for adults are subject to a means test. DFGs for children are not means tested. The Council must be satisfied that a DFG is necessary and appropriate and that to carry it out is reasonable and practicable. At the current time, the responsibility for validating and approving DFGs sits with the Strategic Housing Service at this Council.
- 2.4 DFGs form part of a wider strategic approach to helping improve the health and well being of people in Huntingdonshire. Along with other low level interventions, DFGs can enable elderly and disabled people to live independently and help to avoid emergency hospital admissions and inappropriate and expensive care placements. DFGs are therefore a 'preventative' service and help to implement the aims of the countywide Health and Well Being Strategy.
- 2.5 Members have previously been concerned about waiting times for OT assessments in the district. The OT service remains the responsibility of the County and not the District Council. OT waiting times have been reduced from 8 months in March 2012 to 4 months in March 2013. The monitoring statistics also demonstrate that the waiting

times in Huntingdonshire have been brought into line with the rest of the County so at the current time, equity has been achieved.

- 2.6 As a result of the waiting times in the OT service, in March 2013, there were 73 adult cases and 77 children's cases awaiting OT assessment. These cases contribute to the 'backlog' referred to at paragraph 4.3.
- 2.7 The OT service is currently provided by Cambridgeshire Community Services (CCS). As CCS did not receive 'Foundation Status' it is being disbanded and the options for the future of CCS's services, including the OT service, are currently being appraised. Inevitably, any organisational change may cause short term disruption to services and this may affect the forecasts presented in this report.

3. CAMBS HIA - REVIEW AFTER ONE YEAR OF OPERATION

- 3.1 When considering progress against agreed objectives, it is important to understand the challenges involved in forming a shared service. The focus in the first year has been on integrating the team and establishing new shared IT and working procedures. A key learning point is that combining three services into one is a huge challenge and was perhaps underestimated. There was therefore a slower start than had been hoped for, but the team is now in place and working together with a professional and businesslike approach.

- 3.2 When the HIA was formed, a number of key objectives were agreed. Progress on each of these is set out below:

Deliver cost savings over time for both district and county commissioners.

- 3.3 The savings identified for the Council of moving to a shared service were anticipated to be minimal, if any, in the first two years. The HIA's Year 1 budget included two issues that should not affect future year's budgets. These were:

1. the impact of the 'clawback' agreement whereby the HIA paid back to each Council the sum that reflected the casework that was partly completed at the time the HIA 'went live'. For HDC, this amounted to £70k.
2. The HIA's earned fee income was low in the first two quarters as a result of the dip in productivity (and therefore fee income) whilst the HIA established itself.

- 3.4 As a result of these issues, the HIA costs exceeded income by £71k, and HDC contributed £35k to the deficit under the pre-agreed cost-sharing agreement. In common with all fee-earning businesses, issue 2. above remains a risk to the HIA. That said, assuming predicted levels of workload are completed in 2013/14, this year's budget predicts a surplus which will be shared, proportionate to workload, between the three Councils in the partnership.

- 3.5 Despite the budget issues set out above, the actual operational costs of the shared service in Year 1 have been less than the operational costs of three separate HIAs. The most obvious saving relates to the reduction in HIA Managers. Other indirect savings relate to office accommodation and back office support services. These savings are

not immediately cashable but they will inevitably contribute towards efficiency savings over time.

- 3.6 There is further scope for improving efficiencies arising from the ability to bulk purchase aids and adaptations across the HIA area. This forms a work stream for the HIA Management Board in Year 2.

Improve operational resilience and opportunities for cross boundary working.

- 3.7 The new team is now fully operational as a single service with a shared IT system. Staff capacity is being used flexibly across the district boundaries and increased caseloads have been accommodated, particularly in Huntingdonshire.

- 3.8 An evaluation of the caseload management and throughput reveals a need to increase the staffing resources that are deployed to manage the workload in Huntingdonshire. An additional Surveyor has been recruited to focus on Huntingdonshire and bring the caseload up to date.

- 3.9 The objective to improve resilience and work across boundaries has therefore been met.

Provide a platform for improved performance and efficiency over time.

- 3.10 The HIA experienced some early issues relating to the integration of IT systems across the three teams and ensuring staff were fully trained on the use of them (including paperless processes). However a fully integrated shared data system now operates between Cambs HIA and the three Councils' grants officers and has been positively received.

- 3.11 Joint working with Occupational Therapists (OTs) has started e.g. the establishment of a shared DFG leaflet and simplified procedures. More joint working and further improvements with OTs are planned.

- 3.12 The platform for improved performance and efficiency has therefore been established.

- 3.13 The Cambs HIA Management Board (of which we are a partner), has agreed the Business Plan for the next year. The work plan for 2013/14 includes:

- Further consolidation of the service currently delivered, including a review of staffing structures and caseloads
- A review of contractor lists and procurement of works to deliver greater efficiencies
- Increasing fee income and effective use of resources
- Improved marketing and developing a marketing strategy
- Holding the first annual public stakeholder event
- Considering opportunities to broaden the service and to deliver additional services i.e. handyperson.

4.0 REVIEW OF DEMAND FOR CAPITAL GRANT FOR DFGs

- 4.1 Demand for DFG remains strong in Huntingdonshire for a number of reasons including people's aspirations to live at home for longer, an increase in DFGs for children, increased longevity, and an overall increase in the number of older people in the district. Office for National Statistics projections show that the proportion of people aged over 65 in the district is predicted to increase from 16% of our population in 2011 (27,700 people) to 21% of our population by 2021 (38,300 people). Therefore long term demand for DFG and other services that support older people, is expected to continue to grow.
- 4.2 A review modelling demand for DFG has been carried out and it is estimated that 30 new OT referrals will be received each month. Approximately 70% of these proceed to a DFG. The average DFG costs £5.8k. Therefore the need for DFG in an average year is estimated to be £1,400k. Obviously if any of the variables stated above change, then demand for DFG could increase or decrease accordingly.
- 4.3 When the new HIA was formed it took time to get up to full operational capacity. As a result, a backlog of cases has built up and in May there were 124 cases being progressed through to approval. When the HIA was in-house, we would have expected an active caseload of about 90. Additionally, there are 150 cases at the OT service awaiting assessment (see paragraph 2.6). The speed at which these can be progressed is uncertain, partly because of the organisational changes affecting the OT service (see paragraph 2.7). Referrals rates will therefore need to be closely monitored over the coming months.
- 4.4 In order that we could be in a strong position to address any backlog of cases at the HIA and OT service, an additional £500k was incorporated into the MTP in 2013/14. This forward thinking will give the HIA the budget flexibility to potentially complete about 90 more DFGs than we would anticipate in a 'normal' year. Cambs HIA are confident they can manage the increase in workload in 2013/14 due to the increased staffing resources detailed at paragraph 3.8.
- 4.5 Service delivery rates over recent years, plus a prediction for this year is as follows:

	2009/10	2010/11	2011/12	2012/13	2013/14 Predicted DFGs generated in year	2013/14 Additional DFG to cover increased demand from backlog
No. DFGs completed	179	284	261	189	Approx 250	Approx 90
Total spend on DFGs	£970k	£1,480k	£1,600k	£1,200k	£1,450k	£520k

4.6 The DFG budget, in the Council's MTP is as follows:

	2013/14 MTP	2013/14 Updated with actuals	2014/15	2015/16	2016/17
Assumption on contribution from central Government	£400k	£456k	£400k	£400k	£400k
HDC contribution	£1,550k	£1,494k	£1,250k	£1,250k	£1,250k
Total DFG budget	£1,950k		£1,650k	£1,650k	£1,650k

4.7 After the backlog is reduced, and assuming the variables set out at paragraph 4.2 hold true, then a DFG budget in the region of £1,400k could be required in future years. Demand for DFG will continue to be monitored and longer term trends will be identified over the summer to feed into the Council's MTP process in September.

5.0 CONCLUSIONS

5.1 To date, Cambs HIA has been successful. There have been issues relating to staffing and IT which resulted in reduced throughput of DFGs in the first half of 2012/13. These have now been addressed and the HIA is operating effectively. The objectives which were set when the shared service was established have been achieved, or the foundations have been laid for achievement of them over time.

5.2 The Council's MTP budget for DFG is appropriate to manage the current demand placed upon it. The increased budget in 2013/14 provides the budgetary flexibility for the HIA to reduce the backlog of cases. Thereafter it is anticipated that OT referrals and DFG completions could return to the levels set out at paragraph 4.2.

5.3 Further work will be done over the summer to monitor OT referrals and work flow, and predict future trends. This will feed into the Council's MTP process in September 2013.

6. RECOMMENDATION

6.1 It is recommended that:

- Overview & Scrutiny (Social Well Being), and Cabinet note this report;
- additional modelling of current and future demand is undertaken over the summer to feed into the Council's MTP process in September 2013; and
- that a further report is brought to Members after two years of Cambs HIA operation.

BACKGROUND INFORMATION

- Overview &Scrutiny Panel Report - 06 Sept 2011 – Shared HIA Services
- The Housing, Grants, Construction and Regeneration Act 1996
- Cambridgeshire Health and Well Being Strategy 2012-17
<http://www.cambridgeshire.gov.uk/NR/rdonlyres/15D48C47-A6F7-4C35-B540-F0FA5168D988/0/CambridgeshireHealthWellbeingStrategy20122017.pdf>

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