

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Cambs Home Improvement Agency (CHIA) Shared Service Review & Disabled Facilities Grant Budget

Meeting/Date: Overview & Scrutiny Panel – 8 July 2014
Cabinet – 17 July 2014

Executive Portfolio: Planning, Infrastructure, Housing and Growth

Report by: Housing Strategy Manager

Ward(s) affected: All

Executive Summary:

This report provides Members with a progress review of the Home Improvement Agency (HIA) shared service following two years of operation. The report also considers the ongoing demand for Disabled Facilities Grants (DFGs) and the impact of the transfer of the Government DFG capital funding to the Better Care Fund.

The Cambs HIA shared service was developed during 2011/12 in partnership with Cambridge City and South Cambridgeshire District Councils. Cambs HIA went 'live' on 1st April 2012.

Cambs HIA is a partnership based shared service with staff being employed by Cambridge City Council, the main office located within South Cambridgeshire's offices in Cambourne (with hot desks at other locations) and IT systems and support provided by this Council.

The shared service HIA has been successful in meeting its aims and objectives within two years with potential to achieve further efficiencies both internally and externally into the future.

The opportunity to broaden the shared service to include the other districts within Cambridgeshire provides an opportunity to deliver further efficiencies and benefits for commissioners and customers.

The current three-year Agreement runs out in March 2015. In order to allow time to work up the proposals to deliver a countywide shared service an extension to the current Agreement is required.

Analysis of demand and costs would suggest that the Council's MTP budget for DFG seems appropriate to manage the current demand placed upon it.

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 2014.

Recommendation(s):

It is recommended that:

Overview & Scrutiny (Social Well Being) comment on and note this report and recommend that Cabinet:

- Grant permission for officers to work up an Outline Business Case for the expansion to a County-wide service, with final agreement being subject to a Detailed Business Case to go before Members at a later date.
- Endorse the extension of the current Shared Service Agreement by a further twelve months to 31 March 2016.
- Request a further report be brought to Members after three years of Cambs HIA operation.

1. WHAT IS THIS REPORT ABOUT/PURPOSE?

- 1.1 This report provides Members with a progress review of the Cambs Home Improvement Agency (CHIA) shared service following two years of operation. The report also considers the impact of the Better Care Fund and the ongoing demand for Disabled Facilities Grants (DFGs).

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 Members have requested an annual report on performance of the shared service home improvement agency.
- 2.2 The Cambs HIA shared service was developed during 2011/12 in partnership with Cambridge City and South Cambridgeshire District Councils, Cambs HIA went 'live' on 1st April 2012.
- 2.3 Cambs HIA is a partnership based shared service with staff being employed by Cambridge City Council, the main office located within South Cambridgeshire's offices in Cambourne (with hot desks at other locations) and IT systems and support provided by this Council.
- 2.4 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.
- 2.5 DFGs form part of a wider strategic approach to helping improve the health and wellbeing of people in Huntingdonshire. Along with other low level interventions, DFGs can enable elderly and disabled people to live independently and help to avoid costly 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.
- 2.6 During 2013/14 the drive from Central Government has been towards the introduction of the Care Bill. As part of this, the Government has established the Better Care Fund (BCF). This is a pooled Health and Adult Social Care budget. All of the funding that is due to be pooled together is currently allocated to services across the health and social care systems. The Government's contribution to DFG capital funding is also being pooled within this new BCF 'pot'. For the time being, the Government DFG subsidy is ring-fenced for DFG expenditure. The aim of the BCF is to help transform services to enable a number of National outcomes to be achieved. These include 7 day services to support hospital discharge, more effective preventative services, better sharing of information between agencies, joint assessments etc. The BCF for Cambridgeshire is £37.7m and a joint strategy is being developed for how the money will be allocated in the future, and how the national outcomes will be achieved. The shared HIA is clearly well placed to support delivery of

these aims and there may be opportunity for further development of the HIA service given the preventative outcomes they help to deliver.

3. CAMBS HIA - REVIEW AFTER TWO YEARS OF OPERATION

3.1 Following a slow start to the shared service in 2012/13 due to the complexities of the service and the challenge of bringing together three very different operational teams, service delivery has improved significantly over year two.

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 Council had historically revenue funded the in house HIA at levels ranging from £59k in 2006/07 to £73k in 2010/11. The Cambs HIA's Year 1 (2012/13) budget resulted in a deficit of £71k, and a contribution of £35k from HDC was made in line with the cost sharing agreement, as reported to this Panel in July 2013.

3.4 It was predicted that at the end of Year 2 the service would break even or make a small surplus. Year-end figures showed that the shared service made a small surplus of £8k. However agreement was obtained for this amount to be rolled forward into 2014/15 in order to cover unforeseen costs following the HDC IT upgrade.

3.5 Cambridgeshire County Council has continued to revenue grant fund the shared service in addition to the Fenland and East Cambs services and advocates the evolution towards a County-wide service over the next two years. This would provide additional scope to increase economies of scale and allow funding to be more effectively targeted towards relative need across the County.

3.6 The anticipated cost savings for the district council have been met with expected savings for County commissioners to be delivered through further expansion to a Countywide shared service in future years.

Improve operational resilience and opportunities for cross boundary working.

3.7 Operational resilience has improved during Year 2 with an additional part-time Surveyor being deployed in Huntingdonshire to deal with the backlog of cases from Year 1. This has been particularly effective and some 238 DFGs were completed in 2013/14 against 189 in 2012/13. The caseload at 31st March 2013 was 246 and this came down to 189 by 31st March 2014.

3.8 Discussions have been held between County Council Commissioners and Fenland and East Cambridgeshire Councils about whether or not they would wish to join the shared service. The benefits to Huntingdonshire from further expansion of the CHIA into Fenland and/or East Cambridgeshire are further improvements in efficiency and a more robust service. As one of the primary revenue funders of the service the County Council are very keen to progress with this to achieve better value for money. This will need further exploration over the coming year.

- 3.9 The objective to improve resilience and work across boundaries has been met through the development of the CHIA and there are further opportunities to increase this through development of a County-wide service over time.

Provide a platform for improved performance and efficiency over time.

- 3.10 The CHIA Management Board is keen to develop closer working with both district colleagues and partners in Health and Adult Social Care. These include proposals for closer working with OTs and other services i.e. Handyperson services, hospital discharge teams, etc.
- 3.11 The scope for broadening the service across East Cambridgeshire and Fenland provides significant opportunities for improved future efficiency.
- 3.12 CHIA is currently exploring the possibility of agreeing with the district councils a 'fast-track' grant system for smaller works under a set financial limit (e.g. £6,000). This would enable smaller types of adaptation i.e. stair lifts, level access showers, to be completed outside of the time consuming DFG process and generally make more routine adaptations available more quickly to vulnerable households.
- 3.13 The current three-year Shared Service HIA Agreement runs out in March 2015. This agreement requires review and further development if it is to include potentially two other local authority HIA services in future. The Agreement provides for extension year on year with the agreement of all parties and will require at least one further year extension in order to prepare an outline business case for a wider shared service across Cambridgeshire.
- 3.14 The platform for improved performance and efficiency has therefore been established.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL (SOCIAL WELL-BEING)

- 4.1 The Overview and Scrutiny Panel (Social Well-Being) endorses the recommendations but has challenged the risks associated with the development of a County-wide shared service if all Cambridgeshire authorities do not sign up to the proposals; specifically the potential withdrawal of revenue funding from the County Council. Occupational Therapy waiting times for Priority 1 and Priority 2 cases have improved but delays with Priority 3 cases continue with individuals waiting as long as 25 weeks in some cases. It is thought that the possible introduction of a "fast track" grant system for smaller works will assist with reducing these delays.
- 4.2 The Panel welcomes the report being produced by the Housing Strategy Manager on the lessons learnt from the establishment of the Cambridgeshire Home Improvement Agency shared service. This will inform the Council of matters to be aware of as future shared service proposals emerge.
- 4.3 The Panel has also discussed the tender process for contractors undertaking works on behalf of the Home Improvement Agency. There is a need to test the market to determine whether smaller local firms are able to undertake such works with a view to reducing costs and enabling the Disabled Facilities Grant budget to go further.

5. KEY IMPACTS/RISKS / HOW WILL THEY BE ADDRESSED?

5.1 The inclusion of the Government element of DFG capital (c.£0.4m) within the Better Care Fund (BCF) from 2015/16 provides an element of risk, as while current Government plans are to stipulate that DFG capital must be cascaded to housing authorities, this may change over time. This will be monitored by officers.

5.2 With regard to the development of a Countywide Home Improvement Agency there is a risk that not all Councils will sign up to this. There follows then a risk that County Council revenue funding may be withdrawn, or reduced as a result as they support a County-wide approach.

6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

6.1 The Agreement will be renewed for one further year initially.

6.2 Officers will work with the CHIA Manager on an outline business case which will be subject to Member endorsement in future. It is hoped that this would be developed in time for the 2015 Review report.

7. LINK TO THE CORPORATE PLAN

7.1 This proposal links with the following strategic themes and outcomes:

Working with our communities

- Improve health and wellbeing

Ensuring we are a customer focussed and service led council

- Becoming more business like and efficient in the way we deliver services
- Ensure customer engagement drives service priorities and improvement

8. CONSULTATION

8.1 Customer satisfaction remains high with the Council carrying out quarterly satisfaction surveys. These are monitored and reported in the CHIA Annual Report.

9. LEGAL IMPLICATIONS

9.1 The Head of Legal & Democratic Services has confirmed that the Shared Service Agreement can be extended for a further year by formal minute and letter.

9.2 Any expansion of the service will require a fresh Legal Agreement to be developed by all partners.

10. RESOURCE IMPLICATIONS

10.1 REVIEW OF DEMAND FOR CAPITAL GRANT FOR DFGs

10.1.1 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. The 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.

10.1.2 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 £7.2k. Therefore the need for DFG in an average year is estimated to be £1,800k. Obviously if any of the variables stated above change, then demand for DFG could increase or decrease accordingly.

10.1.3 When the new HIA was formed it took time to get up to full operational capacity. As a result, a backlog of cases built up in year 1, although as shown earlier this was dealt with through additional resource in 2013/14 and caseloads are now back to more usual levels. Referrals from the Occupational Therapy Department remain stable at around 30 per month.

10.1.4 Service delivery rates over recent years, plus a prediction for this year is as follows:

	2011/12	2012/13	2013/14	2014/15 Predicted DFGs generated in year
No. DFGs completed	261	189	238	250
Total spend on DFGs	£1.6m	£1.2m	£1.7m	£1.8m

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

	2014/15 £m	2015/16 £m	2016/17 £m
Assumption on contribution from central Government	0.400	0.400	0.400
HDC contribution	1.450	1.250	1.250
Total DFG budget	1.850	1.650	1.650

10.1.6 In 2015/16 the MTP reduces by £200k. However because the Government element of the DFG capital will come through the BCF from 2015/16, it is expected (from early notifications) that the amount of Government support for DFGs in Huntingdonshire will increase by c. £100k. This is not included in the MTP until confirmed, but this, in addition to the further efficiencies through procurement of works should provide a sufficient budget for the demand to be met.

11. OTHER IMPLICATIONS

11.1 None

12 REASONS FOR THE RECOMMENDED DECISIONS

- 12.1 The shared service CHIA has been successful in meeting its aims and objectives within two years, with potential to achieve further efficiencies both internally and externally into the future.
- 12.2 The opportunity to broaden the shared service to include the other districts within Cambridgeshire provides an opportunity to deliver further efficiencies and benefits for commissioners and customers.
- 12.3 The current three-year Agreement runs out in March 2015. In order to allow time to work up the proposals to deliver a countywide shared service an extension to the current Agreement is required.
- 12.4 Analysis of demand and costs would suggest that the Council's MTP budget for DFG is appropriate to manage the current demand placed upon it.
- 12.5 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 2014.

BACKGROUND PAPERS

- Overview & Scrutiny Panel Report 4 June 2013 – Shared HIA Service Review and DFG budget.
- The Housing, Grants, Construction and Regeneration Act 1996
- Cambridgeshire Health and Well Being Strategy 2012-17
<http://www.cambridgeshire.gov.uk/NR/ronlyres/15D48C47-A6F7-4C35-B540-F0FA5168D988/0/CambridgeshireHealthWellbeingStrategy20122017.pdf>
- Cambridgeshire Better Care Fund Plan
<http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Meeting.aspx?meetingID=781>
- Developing Plans for the Better Care Fund – NHS England Planning Guidance
<http://www.local.gov.uk/documents/10180/12193/Developing+plans+for+better+care+fund+guidance.pdf/734c155e-7820-4761-976a-6c56053c0e78>

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