

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Cambs Home Improvement Agency (CHIA) Shared Service Review & Disabled Facilities Grant Budget
Meeting/Date:	Overview & Scrutiny Panel Social Wellbeing – 1 Dec 2015 Cabinet – 10 December 2015
Executive Portfolio:	Strategic Planning and Housing
Report by:	Housing Strategy Manager
Ward(s) affected:	All

Executive Summary:

This report provides Members with:

1. A progress review of the Cambs Home Improvement Agency (CHIA) shared service following three years of operation.
2. An update on the position with regards to extending the shared service to include ECDC.
3. A recommendation to extend the HIA shared service for a further two years, enabling a review of the HIA funding to be completed in light of pressures on the capital budget.
4. A review of 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.

1. 3 Year review of Cambs HIA

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

CHIA is a partnership based shared service with staff 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 initial aims and objectives and has the potential to achieve further efficiencies both internally and externally into the future. Performance data is at Annex 1 and shows high volumes of work for the three years of operating the shared HIA. Performance targets have been met in 2014/15.

Performance in Q1 and Q2 of 2015/16 has dipped for a number of reasons including an increase in volumes of work, loss of a surveyor, and the necessary introduction of new procedures to ensure regulatory compliance. All the reasons for this, and the potential options, are being explored by the Management Board.

2. Update on extending the Cambs HIA to East Cambs

The scope for expanding the service to include other districts in Cambridgeshire has been considered. Having appraised the Business Case for service expansion, East Cambs DC has since decided not to join the shared service because they are content that their in-house service is fit for purpose and they do not foresee significant benefits from disrupting their current arrangement.

3. Extending the shared service contract

The original three-year Agreement was extended in 2014 and expires in March 2016. Broadly speaking the Partnership Agreement is fit for purpose and it is recommended that it is reviewed and refreshed by Officers and the Executive Member, ensuring consistency with other Shared Services, prior to commitment to a further two-year period of partnership working.

4. Review of DFG

DFGs are part funded through the Council's Capital fund. The remainder is Government funding (c£500k pa) which is now channelled through to this Council via the Better Care Fund. Officers continue to influence the strategic direction of the Better Care Fund towards preventative services, demonstrating the value of the DFG programme to the health and social care agenda.

Recommendation(s):

It is recommended that:

Overview & Scrutiny (Social Well Being) note and comment on this report; and

Cabinet:

- Note the position following three years of the shared HIA service
- Agree to delegate authority to the Head of Development in consultation with the Executive Member to sign off the refreshed Partnership Agreement for a further two years.

1. WHAT IS THIS REPORT ABOUT/PURPOSE?

- 1.1 This report provides Members with:
1. A progress review of the Cambridgeshire Home Improvement Agency (CHIA) shared service following three years of operation.
 2. An update on the position with regards to extending the shared service to include ECDC.
 3. A recommendation to extend the HIA shared service for a further two years.
 4. A review of 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.

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 CHIA 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 CHIA is a partnership based shared service with staff employed by Cambridge City Council, staff 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 CHIA 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. 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.

3. CAMBS HIA - REVIEW AFTER THREE 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 continued to improve in year three.
- 3.2 When CHIA 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. CHIA'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, and Cabinet, in July 2013.
- 3.4 End of Year 2 (2013/14) 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 Year 3 has delivered another small surplus of £18k. While these sums are relatively small, the direction of travel is positive. CHIA is currently carrying out a major Contractor Procurement Project to ensure greater value for money from the DFG capital and additional procurement support costs of £18k have been identified. This surplus will be retained by CHIA in order to resource this project.
- 3.6 In summary, the anticipated cost savings for the district council have been met and opportunities identified for further savings for both district and County commissioners through smarter procurement and discussions about capital funding in future.

Improve operational resilience and opportunities for cross boundary working.

- 3.7 A drop of Occupational Therapy referrals in 2014/15 and staffing issues, including the need to recruit a Surveyor, contributed towards the dip in CHIA performance mid-year and the resulting reduction in number of DFGs completed. This also resulted in a reduction in capital budget from £1.7m to £1.4m. However, despite these issues CHIA has maintained operational resilience and financial stability.
- 3.8 The drop in OT referrals and increased waiting times for assessment was of concern and was in part due to a number of factors including the tendering of the older people's health care contract and the uncertainty for staff until Uniting Care Partners were appointed earlier this year. The subsequent TUPE of OT staff, and ongoing recruitment and retention issues within the Occupational Therapy profession have also contributed. However referrals have already picked up in 2015/16 and early indications are that these are approaching normal levels (for Huntingdonshire) of around 30 per month.
- 3.9 Discussions have been held with Fenland and East Cambridgeshire Councils about whether or not they wish to join the shared service. Fenland DC has initially decided to continue with the contract they have with Kings Lynn and West Norfolk Council, thereby excluding them from being part of the shared service. However, they are interested in seeing how CHIA develops and have not discounted joining in future.
- 3.10 With regard to East Cambridgeshire, in principle agreement to include ECDC in the shared service (subject to a detailed Business Case being developed)

was given by Members in July 2014. The benefits to Huntingdonshire from further expansion of CHIA into East Cambs and/or Fenland would be the potential for further improvements in efficiency and a more robust service.

- 3.11 In summary, the objective to improve resilience and work across boundaries has been met through the development of CHIA and there may be further opportunities to increase this through development of a County-wide service over time.

Provide a platform for improved performance and efficiency over time.

- 3.12 The CHIA Management Board, made up of senior officers from the three Councils, the County Council, and the HIA Manager, 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.

- 3.13 Performance targets have been met in 2014/15 (annex 1). Performance in Q1 and Q2 of 2015/16 has however dipped for a number of reasons including an increase in volumes of work, loss of a surveyor, and the necessary introduction of new procedures to ensure regulatory compliance. All the reasons for this, and the potential options, are being explored by the Management Board.

4. EXPANSION OF CHIA TO INCLUDE EAST CAMBRIDGESHIRE

- 4.1 As mentioned earlier Members gave 'in principle' agreement in July 2014 for a detailed Business Case to be developed to explore whether or not it would be beneficial to join with East Cambridgeshire. East Cambs took their home improvement agency service back in-house following the closure of East Cambs Care & Repair who performed this function previously.

- 4.2 A Business Case was developed by CHIA in relation to this, however, having considered the options and associated costs East Cambs took the decision in September not to join the shared service but to remain independent.

5.0 EXTENSION OF THE HIA SHARED SERVICE CONTRACT

- 5.1 The shared service has been successful in terms of savings (paragraphs 3.3 to 3.5) and whilst performance in years 1-3 has improved, performance over the last 6 months has declined, as discussed in paragraph 3.13. It is therefore proposed that we should review and refresh the existing Partnership Agreement and go ahead with a further two year term with provision for an extension for a further three years by agreement. If agreed, this can be taken forward by officers and the Executive Councillor.

6.0 DFG BUDGET IMPLICATIONS AND BETTER CARE FUND

- 6.1 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.

- 6.2 A review modelling demand for DFG has been carried out and it is estimated that 20 eligible new OT referrals will be received each month. The average DFG costs £7k. Therefore the demand for DFG in an average year is estimated to be £1.7M. Obviously if any of the variables stated above change, then demand for DFG could increase or decrease accordingly.
- 6.3 Due to the drop in OT referrals in 2014/15 the full budget of £1.7m was reduced to £1.4m. OT referrals fluctuate but at the current time it is considered that the current budget of £1.5m for 2015/16 is adequate.
- 6.4 Service delivery rates over recent years, plus a prediction for this year are shown below:

	2012/13	2013/14	2014/15	2015/16 Predicted DFGs generated in year
No. DFGs completed	189	238	203	215
Total spend on DFGs	£1.2m	£1.7m	£1.4m	£1.5m estimated

- 6.5 The DFG budget, in the Council's MTFs is as follows:

	2015/16 £m	2016/17
Assumption on contribution from central Government	0.5	0.5
HDC contribution	1.0	To be determined
Total DFG budget	1.5	

- 6.6 During 2014/15 the Government established the Better Care Fund (BCF). This is a pooled Health and Adult Social Care budget. All of the funding pooled together is already 'allocated' to services across the health and social care systems. The Government's contribution to DFG capital funding was also pooled within this new BCF 'pot'. The Government ring-fenced the DFG expenditure for 2015/16 but there has been no guidance on this for 2016/17.
- 6.7 The district councils are in discussions with the County Council to ensure that this DFG grant continues to be distributed at current levels to the districts. 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.
- 6.8 The BCF for Cambridgeshire is £37.7m and a joint plan has been developed for how the money will be allocated in the future, and how the national outcomes will be achieved. CHIA 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.

7.0 RISKS AND HOW THEY WILL BE MANAGED

- 7.1 The inclusion of the Government element of DFG capital (c.£0.5m) within the Better Care Fund (BCF) from 2015/16 provides an element of risk. Whilst the DFG capital was cascaded from the County Council to housing authorities in 2015/16 there has been no further Government guidance in respect of this.
- 7.2 There is also a risk that County Council and Health revenue funding may be withdrawn, or reduced due to ongoing budget cuts. Officers are actively engaged in discussions with the County Council to ensure this revenue funding is secured into the future or to consider the provision of capital instead (from which CHIA can generate revenue income).
- 7.3 There is a risk that if the Council's Capital budget is reduced significantly then the Council will fail to meet its Statutory duties towards vulnerable households. This will continue to be considered as part of the Council's Capital Programme going forward.

8. COMMENTS OF OVERVIEW & SCRUTINY PANEL

- 8.1 The comments of the Overview & Scrutiny Panel Social-Wellbeing Panel meeting on the 1st December will be reported to Cabinet.

9.0 WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 9.1 The Partnership Agreement will be reviewed and renewed for a further two-year term from April 2016.

10. LINK TO THE CORPORATE PLAN

- 10.1 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

11. CONSULTATION

- 11.1 Customer satisfaction remains high with the Council carrying out quarterly satisfaction surveys. These are monitored and reported to the Management Board regularly, and as part of this annual report.

12. LEGAL IMPLICATIONS

- 12.1 The Shared Service Partnership Agreement across the three existing Councils can be renewed for a further two years by formal minute and letter (subject to a refresh by the Head of Development in consultation with the Executive Councillor).

13. REASONS FOR THE RECOMMENDED DECISIONS

- 13.1 The shared service CHIA has been successful in meeting its aims and objectives after three years, with potential to achieve further efficiencies both internally and externally into the future. Performance data is at Annex 1.
- 13.2 The opportunity to broaden the shared service to include the other districts within Cambridgeshire has been considered but it has been decided not to expand but to maintain the current arrangements at this time.
- 13.3 The current Partnership Agreement runs out in March 2016. This needs to be renewed by 1st April 2016 for a further two-year period.
- 13.4 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 in 2015/16 and officers will continue to influence the strategic direction of the Better Care Fund to safeguard the contribution to DFG held within it.

BACKGROUND PAPERS

- Overview & Scrutiny Panel Report July 2014 – 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/rdoonlyres/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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Annex 1

Activity

The table below gives a summary of what Cambs HIA has delivered over the past three years.

Description	2012/13	2012/13 All	2013/14	2013/14 All	2014/15	2014/15 All
All enquiries	CC 195 SC 240 HD 434	869	CC 257 SC 289 HD 481	1027	CC 216 SC 309 HD 437	962
Completed DFG jobs	CC 68 SC 77 HD 189	334	CC 86 SC 75 HD 238	399	CC 64 SC 62 HD 203	329
% private tenure	CC 73 SC 90 HD 54	68%	CC 74 SC 86 HD 57	69%	CC 72 SC 85 HD 57	69%
DFG grant spend (nearest K)	CC 470K SC 507K HD 1,239K	£2,216K	CC 578K SC 663K HD 1,723K	£2,964K	CC 557K SC 641K HD 1,381K	£2,578K
Disc grants complete	CC 25 SC 29 HD 11	65	CC 34 SC 27 HD 18	79	CC 33 SC 23 HD 14	70
Disc grant spend (nearest K)	CC 103K SC 106K HD 54K	£ 263K	CC 81K SC 111K HD 113K	£ 305K	CC 163K SC 60K HD 92K	£ 315K

2014/15

Description	City	S Cambs	Hunts	All
DFG referrals	88	105	277	470
Caseload at year end	67	141	176	384
Discretionary grant applications	28	21	16	65

Overall there are high levels of satisfaction with all aspects of the work provided by the HIA and the contractors. Overall satisfaction shows 97% for Cambridge City, 100% for South Cambridgeshire DC and 89% for Huntingdonshire DC.

The time taken to complete works following a referral is measured as one of the key performance indicators for the HIA for cases <£10K and for those >£10K. For 2014/15 the time taken in weeks is as follows.

Description	Target	City	S Cambs	Hunts	All
Av time referral to completion (weeks) <£10K	26 wks	25.1	35	26.3	29.8
Av time referral to completion (weeks) >£10K	45 wks	64.5	69.2	69.6	72.0