

**Meeting** Executive  
**Portfolio Area** Housing Health and Older People  
**Date** 12 June 2019



## HERTFORDSHIRE HOME IMPROVEMENT AGENCY - 12 MONTH REVIEW

### KEY DECISION

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### 1 PURPOSE

- 1.1 To provide information on the first year operation of the Hertfordshire Home Improvement Agency (HHIA).
- 1.2 To propose that the Council remains a member of the HHIA to give an opportunity for new arrangements to be in.

### 2 RECOMMENDATIONS

### 3 INCLUDING EXTERNAL DECENT HOMES WORKS BACKGROUND

- 3.1 The HHIA is a joint agency of five Hertfordshire district councils and Hertfordshire County Council. The agency is governed through a formal Partnership Agreement that sets out the purpose of the partnership and the operating framework. Management oversight is provided by a board

consisting of representatives of the member authorities; it is currently chaired by Watford Borough Council and located within the County Council's offices; the County Council provides support services.

- 3.2 At its meeting on 13<sup>th</sup> March 2018 the Council's Executive resolved that;
- Stevenage Borough Council should join the HHIA in April 2018.
  - The Council's functions under the Housing Grants, Construction and Regeneration Act 1996, and any other functions relating to the delivery of the services provided by the HHIA, be delegated to Hertfordshire County Council.
  - The Strategic Director be authorised to execute all documents required for the Council to join the HHIA.
  - The Assistant Director (Planning and Regulation) be nominated, and in his absence his nominated deputy, as the Council's representative on the Board of the HHIA with authority to take appropriate decisions on behalf of the Council.
  - The Council reviews the performance of the HHIA twelve months post joining to determine whether it should remain a member of the authority and consider the potential for the Repairs and Voids team to bid for HHIA work.
- 3.3 In accordance with the final resolution of the Executive of 13th March 2018, this report sets-out to summarise the operation of the HHIA over the year since the Council joined and seek the endorsement of Members for the Council's ongoing participation.

### **Purpose of the HHIA**

- 3.4 The Housing Grants, Construction and Regeneration Act 1996 requires Local Housing Authorities (LHAs) to provide financial assistance to people with disabilities who require adaptations to their home to enable them to live independently. This assistance is generally provided by way of a Disabled Facilities Grant (DFG).
- 3.5 Upon receipt of a request from a resident, the County Council's occupational therapist carries out an assessment and recommends the adaptations that the client requires. The HHIA receives the referral, undertakes a means test to determine whether the client is required to make a contribution, approves the grant and makes payment on satisfactory completion of the works.
- 3.6 The agency provides a 'one stop shop', through its trusted assessors, for provision of stair lifts, over bath showers and level access showers where there is no ongoing medical or social care need. This takes the client through

the whole process from initial assessment through design, grant application and contractor procurement to delivery of the adaptation.

3.7 Due to demographic changes the demand for adaptations is significant and rising in Hertfordshire and this trend is predicted to continue. Reflecting this, the level of grant distributed by central government to support DFG activity has increased significantly in recent years. In most cases adaptations represent a cost-effective alternative to rehousing or placement in residential care. The participating authorities believe the HHIA shared service model offers the potential for economies of scale as well as the added benefit of a single end-to-end customer service.

3.8 The aims of the HHIA are:

- To ensure that all individuals in Hertfordshire who need housing adaptations to support independent living will have access to an appropriate service that is timely, accessible, equitable and fit for purpose to address rising demographic pressures.
- To deliver a fully standardised service, enhancing operational efficiency, customer satisfaction and improving value for money.
- To implement robust monitoring arrangements against key performance indicators.
- To improve service resilience through joined-up working, adopting common methodology and service standards, sharing staff knowledge, skills and expertise.
- To open up future opportunities to expand into private sector adaptations and align to wider Clinical Commissioning Group activity in order to maximise income generation, efficiency and value, and impact of the DFG element of the Better Care Fund.

3.9 DFG expenditure is fully met by capital grant from the Ministry of Housing Communities and Local Government (MHCLG) which is paid to the County Council as part of the Better Care Fund with a requirement to passport the grant to first tier authorities who administer their own DFGs. Those authorities which are members of the HHIA no longer receive the grant as they have formally delegated DFGs to the County Council to administer through the HHIA on their behalves.

3.10 Stevenage Borough Council aims to ensure that best value and return is achieved for Stevenage residents who may benefit from eligible adaptations, thereby enabling them to stay in their homes for longer. This ambition has been communicated very clearly to HHIA management.

## **Performance**

3.11 In relation to Stevenage Borough Council's area specifically, the table below gives a comparison of DFG activity in the final year of in-house service provision compared with the first year of delivery by HHIA:

	2017-18 – in-house service provision	2018-19 – HHIA service delivery
<b>Number of DFG enquiries handled</b>	138	176
<b>Number of applications withdrawn/rejected</b>	65	67
<b>Number of applications in process during the year</b>	51	89
<b>Number of DFGs completed and paid</b>	34	20
<b>Average time taken to process an application from referral to completion in weeks</b>	14	12
<b>Total DFG spend on the year's completed applications</b>	£288535	£118254
<b>Average spend per DFG</b>	£8310	£5913

3.12 It can be seen that overall activity in terms of numbers of initial enquiries has increased which may reflect improved promotion of DFG availability by the agency. This is mirrored in the larger number of applications handled by the agency compared with last year.

3.13 However the grant completion rate does not compare as favourably. This is likely to be due in part to staffing difficulties which are briefly outlined in paragraph 3.16 below, as well as transitional arrangements that were in place at the agency in respect of grants that had been transferred by the other member authorities. This year's reduced completion rate is a reflection of the total DFG spend by the HHIA in Stevenage which is some way short of the previous year's figure. It should also be noted that the reduced average spend per DFG is likely to mirror a different mix of individual schemes and a comparatively small sample.

3.14 The agency has only been collating customer feedback since January 2019 and at present is unable to analyse the data by local authority. Customer satisfaction data will be the subject of a future report back to members.

- 3.15 The potential for SBC Repairs and Voids team to bid for HHIA work will be considered through the broader emerging in-sourcing programme within Stevenage Direct Services.

### **Present situation**

- 3.16 This report seeks to develop a position for SBC in light of HHIA activities over the year. As with any new service, contract or shared service, there is often a level of complexity which can affect performance in the start-up phase. In the case of the HHIA, recruitment to key positions has led to capacity and skills deficits. This has resulted in a strong dependency on temporary staff and a consequential variation in consistency and speed of delivery.
- 3.17 The HHIA Board drafted a Recovery Plan in January 2019 with the aims of resolving the recruitment and retention problem, improving productivity and increasing government grant spend. The plan recommended that additional management capacity and oversight be provided, that a review of the governance and systems of the HHIA be carried out and that the HHIA's casework management system be reviewed and reconfigured.
- 3.18 A series of actions were implemented as follows:
- The HHIA has been re-located to sit within the County Council alongside the Hertfordshire Equipment Service (HES) and line-management has been moved to the Head of HES. Taking effect from 18<sup>th</sup> March 2019, this is already meeting the identified need for additional management capacity and oversight.
  - A review of the governance and systems of the HHIA to ensure compliance in respect of grant assessments and means test, specifications, tenders and financial forecasts. This work is in progress and initial findings will be presented to the next Board meeting on 28<sup>th</sup> June 2019.
  - Modification of the casework management system to ensure data reporting and data capture is fit for purpose and is able to support the production of accurate information that can be reconciled with purchase and works orders, tenders and spend. A business analyst was commissioned to support this work in mid-February 2019 on a task and finish basis.
- 3.19 As a result of the above actions performance is already improving, while governance arrangements have continued to evolve and are focused on identifying and addressing key issues. It is evident that strategic support

from partners will continue to be required to assist the HHIA in achieving a financially viable and sustainable operation.

- 3.20 Indicative dates for continuing improvements are set-out in the Recovery Plan and these will form the basis for a review of the Business Plan. Additionally an internal audit of the service has been conducted by the County Council and the recommendations will be incorporated in the revised Business Plan.
- 3.21 All Board members are confident that the changes underway will lead to increased government grant spend and the other four district partners are content to continue on this basis. The new management arrangements and active participation of the Board increase the likelihood of substantial improvement in performance over the coming year.

#### **4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

- 4.1 HHIA management has acknowledged that the initial approved business case may have been over-optimistic in terms of modelled grant activity and failed to anticipate the recruitment difficulties which have been experienced. However, the shared service model offers the potential for economies of scale with the added benefit of a single end-to-end customer service and one team handling all aspects of a case following referral. These benefits were articulated in the original business case and remain strong reasons for SBC to continue as a partner in the agency, particularly in light of the trend towards increased government support.
- 4.2 The service has the potential, due to its developing expertise, to generate income by offering other housing services, for example to people wanting adaptations who do not qualify for a disabled facilities grant. Whilst it is intended that the service will contribute to other health and social care integration projects, an aspiration that remains integral to the business case, the priority in the short-term is on improving the flow of DFG activity. In due course the agency aims to promote independent living more generally by offering residents housing related services, such as a handyman service and home improvements
- 4.3 The HHIA had intended to have a contractor framework in place by 1st April 2018 for the most common adaptations (stair lifts, level access and over bath showers, modular ramping and door widening). Due to the staffing issues outlined at paragraph 3.16 above, implementation has been delayed but the framework went live in May 2019. This is expected to bring about a saving as well as speeding up the process for applicants.

- 4.4 The HHIA Board continues to consider future improvements to the agency. A number of recovery actions have been discussed in principle by the Board to ensure that the HHIA can operate on a revenue positive basis while using capital to improve housing, and meet health and social care priorities in the partner authorities' areas.
- 4.5 An alternative course of action would be for the Council to revert to the administration and delivery of DFGs through in-house arrangements. The previous service operated successfully and was able to maintain close control over delivery and quality of service. However a significant element of staffing resource was relinquished when the Council joined the HHIA, and this, as well as related procedures and systems, would need to be re-instated.
- 4.6 Returning to in-house provision would result in residents missing out on the expedient and efficient service that the agency is predicted to provide. Furthermore, the opportunities to improve resilience, reduce costs and provide additional services would also be lost.
- 4.7 Withdrawal from the agency would require twelve months' notice, and would be subject to consultation with remaining partners. SBC leaving within the first 3 years of the Agreement would trigger a consultation between the other parties to ensure that the HHIA is put in no better or worse a position by SBC withdrawing than if it had not done so within the first 3 years. If the HHIA was shown to be in a worse position then SBC would be liable to pay the amount required to remedy that position and the termination would not take effect until such payment had been made.
- 4.8 Based on the Recovery Plan in place for the HHIA it is recommended that SBC continues as a member of the HHIA and that a further report is brought to Executive, reviewing performance and progress against the plan, in May 2020.

## **5 IMPLICATIONS**

### **Financial Implications**

- 5.1 The Government continues to significantly increase funding to LHAs year-on-year, via the Better Care Fund, to assist home adaptations and other services to support independent living. The allocation for Stevenage specifically has increased from £634 120 in 2017-18 and £691 843 in 2018-19 to £746 540 for 2019-20; the grant is ring-fenced.
- 5.2 Current forecast outturn for 2018-19 represents grant activity of £40,000pw on average. At 80% of next year's available grant (approximately £3.6m

across the five district partners) weekly spend will need to increase by at least 50% to £75,000 on top of existing grant activity.

- 5.3 SBC is tasking the HHIA to put forward plans and concepts to maximise the use of grant to benefit Stevenage residents and an update on progress will be included in report back next year.
- 5.4 The business case requires clients to be charged an administration fee of 15% of the cost of the works. This fee remains unchanged; it is eligible for grant assistance.

### **Legal Implications**

- 5.5 The Council has statutory functions under the Housing Grants, Construction and Regeneration Act 1996 ("the 1996 Act") to provide financial assistance by way of Disabled Facilities Grants to people with disabilities who require adaptations to their home to enable them to live independently.
- 5.6 Under the Partnership Agreement establishing the Hertfordshire Home Improvement Agency, Hertfordshire County Council is responsible for the delivery of the Shared Service. This requires it to exercise the functions under the 1996 Act and any other functions relating to the delivery of the services provided by the HHIA.

### **Risk Implications**

- 5.7 Should the overall performance of the HHIA fail to improve, resulting in adaptation referrals not being progressed in a timely manner, there is an increased risk that an individual applicant's condition will deteriorate, requiring more expensive longer-term care or housing provision.

### **Equalities and Diversity Implications**

- 5.8 The HHIA in due course will provide an improved and extended service to disabled, vulnerable and elderly residents of the borough with a view to enhancing their capacity to live independently. As the delivery of Disabled Facilities Grants currently rests with the HHIA it is for the agency to complete a full Equality Impact Assessment, but in the interim a brief form assessment is attached as Appendix B.

## **BACKGROUND DOCUMENTS**

- BD1 Housing Grants, Construction & Regeneration Act 1996



<http://www.legislation.gov.uk/ukpga/1996/53/contents>

BD2 The Care Act 2014

<http://www.legislation.gov.uk/ukpga/2014/23/contents/enacted>

BD3 Integration & Better Care Fund Policy Framework 2017-19 (DoH, DCLG)

<https://www.gov.uk/government/publications/integration-and-better-care-fund-policyframework-2017-to-2019>

## **APPENDICES**

A HHIA Disable Facilities Grants Policy

B Equalities Impact Assessment