

Meeting Executive
Portfolio Area Housing, Health and Older People
Date 6 October 2020



HERTFORDSHIRE HOME IMPROVEMENT AGENCY – 24 MONTH REVIEW

KEY DECISION

1 PURPOSE

- 1.1 To provide information on the Council's second year of participation in the Hertfordshire Home Improvement Agency (HHIA).
- 1.2 To propose that the Council remains a member of the HHIA.

2 RECOMMENDATIONS

- 2.1 That the performance of the Hertfordshire Home Improvement Agency (HHIA) over the last 12 months be noted.
- 2.2 That the Council's continued participation in the HHIA be endorsed.

3 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 13th 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 12th June 2019, this report sets-out to summarise the operation of the HHIA over the intervening year 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 residents 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 financial contribution, approves the grant and makes payment on satisfactory completion of the works.
- 3.6 The agency provides an end-to-end service 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. For most applicants adaptations represent a cost-effective alternative to rehousing or placement in residential care.
- 3.7 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.

- 3.8 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.

Performance

- 3.9 The table below gives a comparison of DFG activity in the first two years of delivery by HHIA for SBC:

	2017-18 – in-house service provision	2018-19 – HHIA service delivery	2019/20
Number of DFG enquiries handled – that didn't lead to applications	138	176	167
Number of DFGs completed and paid	34	20	47
Total DFG spend on the year's completed applications	£288,535	£148,143	£439,615
Average spend per DFG	£8,310	£7,407	£9,353

- 3.10 All of the key measures of outputs have improved since 2018/2019 and now represent an improvement over both that year and the last year it was provided in house by SBC.
- 3.11 The Output overview for 2019/2020 in Appendix A highlights the positive work the HHIA has achieved in 2019/2020, along with a case study. Obviously work has slowed during 2020 as the pandemic has restricted access and availability of start. We expect there to be pent up demand which will need to be caught up upon during the next few months.

Present situation

- 3.12 In July 2019, the Shared Internal Audit Service (SIAS) carried out an audit review of the HHIA and provided a limited assurance opinion. We made

eighteen recommendations, seven classified as high priority, eight medium priority and three low priority.

- 3.13 The high priority recommendations related to the areas of:
- Governance structures, work streams and resources
 - Financial reporting and monitoring
 - The cost recovery model
 - Management information systems
 - Recruitment and business continuity (succession planning)
 - Site Visits and Inspections and Post Works sign off
- 3.14 A further, follow-up audit was completed by SIAS in August 2020. The purpose of this audit was to provide assurance to management that appropriate action had been taken to implement the recommendations made as part of the original audit, and to report on the status and direction of travel of those recommendations still outstanding.
- 3.15 SIAS were satisfied that systems have been amended to improve the quality and accuracy of information recorded on the internal management information systems. The evidence from their testing demonstrated significant improvements since the last audit, as well as improved checks by management to review such progress.
- 3.16 It was recommended that reviewing the robustness of financial projection, monitoring approaches and systems should be the main focus going forward; this is now possible as more accurate information is available to support outturn projections. It was noted that the HHIA has continued to work on a refreshed business case and business plan to assess and organise for the longer-term financial sustainability of the service.
- 3.17 During the review SIAS noted that the HHIA have put in place robust systems to track and report on the progress of all recommendations from the initial audit, with progress periodically reported to the Board. They also noted that whilst addressing recommendations, the HHIA have sought to identify other improvements that can be made to further improve the service, demonstrating a focus on continuous improvement.
- 3.18 Overall, SIAS have been able to provide good assurance over the direction of travel for the HHIA, and satisfactory assurance over the completion of recommendations. Thirteen of the original eighteen have been fully completed (including five high priority) while five recommendations are still in progress (including two high priority) with revised target dates.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 All HHIA Board members remain committed to the shared service model of the agency which 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. The improvements that have been implemented as a result of the initial audit, and have led to increased government grant spend. Further, the new management arrangements and the active participation of the Board have resulted in a quantifiable improvement in performance in 2019-20 as demonstrated in the following paragraphs.
- 4.2 Since last year's change of management, HHIA has been working more closely with local adult and children's Occupational Therapy Teams. HHIA and the OT's now have regular meetings in the community to ensure a smoother pathway is in place. This has already begun to have benefits with a more focus on what the Disabled facilitates Grant (DFG) can do to change a person's living experience with a home adaptation.
- 4.3 After every home adaptation is completed the HHIA sends out a customer satisfaction questionnaire. Under new leadership, the customer satisfaction questionnaire was updated to ensure that the views of clients were accounted for at every stage of the DFG process for example to introduction stage, financial assessment, technical stage, contractor, pre-start and sign-off inspection, to overall service. For the first time this has allowed the HHIA to get a real understanding of the client's views at each stage of the process; this knowledge is contributing to the continuous improvement ethos of the agency.
- 4.4 The HHIA team has been refreshed with new staff joining in all roles across the service. All caseworkers now have special access to the Department of Work and Pensions benefits records to support DFG applications. This has resulted in cutting down on paperwork and the accelerated progression of passported clients through the system. As part of a new learning and development programme all caseworkers have undertaken functional assessment and advanced benefits training and are working toward trusted assessor level 4.
- 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 starting to provide. Furthermore, the ongoing 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. The 3 year period end next year and we are in dialog with all partners.

5 IMPLICATIONS

Financial Implications

- 5.1 Until this year, the Government has continued 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 £691,843 in 2018-19 and £746,540 in 2019-20 and being maintained at £746,540 for 2020-21.
- 5.2 The grant is ring-fenced for non-Council owned private owners. Historically when provided by SBC or by others across Herts, most authorities struggle to spend more than 65% of their allocation.
- 5.3 In 2019-20 the HHIA spent nearly £440,000 on Stevenage residents, helping over 47 applicants to stay in their homes for longer.
- 5.4 The cost of the HHIA Service was envisaged to be cost neutral, through the recuperation of the administration fee, which is grant funded. HCC agreed to underwrite the first 3 years of the service. This will run until next year at which point all the partners will need to agree how to ensure the service is fully financially sustainable.
- 5.5 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

- 5.6 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.
- 5.7 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

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

Climate Change Implications

- 5.9 In providing grants to people to be able to stay in their own homes for longer, it prevents the unnecessary build-up of more able residents in supported living and other extra care facilities. It is more humane and more sustainable in terms of the resources used; particularly given most adaptations are relatively small in scale. As such the work supports the Council's Climate Change work and social wellbeing.

Equalities and Diversity Implications

- 5.10 The HHIA 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.

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 2019/2020 Outputs.