

<b>Subject:</b>	<b>Provision of Home Improvement Agency Services</b>		
<b>Date of Meeting:</b>	<b>Housing Committee 18 November 2020</b> Policy & Resources Committee 3 December 2020		
<b>Report of:</b>	<b>Rachel Sharpe</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Sarah Potter</b>	<b>Tel:</b> <b>01273 290789</b>
	<b>Email:</b>	<b>Sarah.potter@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 To provide context and background to the Home Improvement Agency (HIA) service and outline the options for future provision.
- 1.2 This service supports disabled adults and families with disabled children to make well informed choices about their longer-term housing options and provide casework and technical support to those needing housing adaptations, including accessing disabled facilities grant (DFG). Those eligible are homeowners, private tenants and housing association tenants living in the City.
- 1.3 The services help to deliver national objectives for housing. They enable older and disabled people to make choices that reflect lifestyle and circumstances and to remain living safely at home for as long as possible.
- 1.4 Locally, these services help to deliver our Housing Strategy priorities, improving housing quality and support, and contribute to funding and delivery of our Affordable Warmth Strategy priorities, effectively targeting those most at risk of the health impacts of cold homes and increasing the resources and opportunities for tackling the causes fuel poverty.
- 1.5 These services are closely aligned to the Better Care Plan priorities, being person centred, designed around the individual, proactive and preventative, helping people stay healthy and remain independent.

**2. RECOMMENDATIONS:****That Housing Committee:**

- 2.1 Recommends to Policy & Resources Committee that the service is brought in-house.

**That Policy & Resources Committee:**

- 2.2 Agrees that the service is brought in-house; and

- 2.3 Delegates authority to the Interim Executive Director, Housing to take all steps necessary to implement the recommendations in 2.1 and 2.2 above to bring the service in-house.

### **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Since 2003, the Council has commissioned a local Home Improvement Agency service (HIA) to support disabled adults and families living in the private sector with renewals, repairs and adaptations in their homes.

- 3.2 In June 2017 a discrete contract was awarded to Mears Home Improvement Agency Ltd (Mears HIA), part of the Mears Group. The local office in Portslade provides services to Brighton & Hove residents only. The contract, originally for a period 2 years 10 months, expired 31 March 2020 and is being extended in accordance with the Public Contracts Regulations 2015 and Contract Standing Orders until 31 May 2021.

The Contract Specification for Provision of Home Improvement Service ref BHCC 12115 attached **Appendix 1**.

- 3.3 The overall aim of the service is to enable older people and disabled people to continue to live as independently as possible, for as long as possible in their own homes by:

- Providing high quality up to date advice, information and support to evaluate options regarding future housing.
- Providing a full case-working service to assist the service user through changes such as moving home or with casework and technical support through the adaptations process.
- Support access to appropriate financial advice and assistance whether through private means, grants, and other sources charitable and voluntary funding to meet the individual service user's needs.
- Support with getting home repairs and improvements done.
- Providing comprehensive information on and access to other suitable support services.

- 3.4 The service supports those going through the adaptations process to access disabled facilities grant (DFG). The DFG is a mandatory Housing grant toward the cost of adaptations for households on low incomes. The type of work it can fund includes:

- Improving access into and out of the home e.g. install ramps, lifts, auto door openers.
- Improving access to and providing essential facilities within the home e.g. level access shower or downstairs bathroom, kitchen adaptations, stairlifts
- Providing a suitable heating system.

The grant is means tested for adults, not for children. The mandatory grant limit is £30k, locally this can be topped up to £50k. Before approving a grant, the

council must be satisfied the works are all ‘necessary and appropriate’ and ‘reasonable and practicable.’

- 3.5 Since September 2017 Mears HIA has co-ordinated applications for grant assistance under the discretionary DFG Housing policy which offers a wider range of housing interventions, targeted at accident prevention, relieving fuel poverty and assisting with hospital discharge

DFG Housing policy attached **Appendix 2**

- 3.6 In 2019/20, working in partnership with Mears HIA, 144 mandatory DFGs plus 117 discretionary grants were completed, investing a total of £1.63m in adapting and improving the homes of some of the most vulnerable residents in the City.
- 3.7 Funding for DFGs is now channelled into the Better Care Fund. DFG funding in England for 2015/16 was £220m and increased to £394 million in 2016/17. The Autumn Statement 2015 contained a commitment to provide £500m by 2019/20 for DFGs and estimated that this would fund 85,000 home adaptations in that year, preventing 8,500 people from needing to move into a care home (Autumn Statement 2015, para 1.109). Locally, in Brighton & Hove, the DFG allocation for 2019/20 was £2.038m of which £1.7m transferred to Housing.
- 3.8 The HIA service gets its funding from several sources. It gets a level of core funding from Adult Social Care Housing-related Support, it generates a fee income paid by the grant applicant when works complete and the DFG capital budget funds a caseworker role.

HIA funding sources:

	2016-17	2017-18	2018 -19	2019-20
Adult Social Care Housing-related Support ( ASC H-rS) core funding:	£90,000	£50,000	£50,000	£50,000
ASC H-rS Performance-related payment:	0	£20,000	£20,000	£20,000
DFG fee income (10% cost of work paid on grant completion)	£128,338	£89,529	£164,310	£155,500
Fees grant paid – Mears caseworker fees	0	£12,379	£38,750	£38,750
<b>Total funding</b>	<b>£218,338</b>	<b>£171,908</b>	<b>£273,060</b>	<b>£264,250</b>

- 3.9 The options for future provision are set out below, these are to recommission – outsource, or for provision in house:

options	opportunities	risks
<p>Recommission – outsourced</p>	<p>Retain a contractual relationship, develop working protocols to ensure good practice and quality control.</p> <p>Retain and develop an effective housing options service in the private sector to enable clients to evaluate their longer-term housing options.</p> <p>Work in partnership to ensure access to a wider range of appropriate support services, statutory and community, voluntary sector.</p> <p>Capacity to support the delivery of both mandatory DFG assisted adaptations and DFG Housing policy discretionary assistance on offer – linked to other Housing, Health &amp; Social Care strategic priorities.</p> <p>Ensure support to 260+ residents in need of support annually.</p> <p>Provider responsible for own premises and assets.</p>	<p>Housing-related Support funding is reduced/withdrawn – unattractive offer to an external provider.</p> <p>Few providers in the market; some inconvenience moving from one provider to another.</p> <p>Potential for delays in hand overs between BHCC and the external service provider.</p> <p>The commissioning service and the service provider use different systems for case recording and progress chasing.</p> <p>Time &amp; resource dedicated to contract management – case reviews monthly, contract reviews quarterly.</p>
<p>Commission – in - house</p>	<p>Continue to support 260+ residents annually.</p> <p>Capacity in-house to deliver the full casework and technical support service to those needing major adaptations in the private sector as well as council.</p> <p>Ensure service delivery continues to be closely aligned to Housing &amp; Health</p>	<p>TUPE - BHCC would take on staffing costs and one-off costs i.e. salaries, equipment, travel, support service costs.</p> <p>Co-location with Housing Adaptations Service will require</p>

	<p>&amp; Social Care strategic priorities including better integration.</p> <p>Capacity to develop an effective housing options service in house.</p> <p>Potential to invest £70k core funding plus a generated income, in 2019-20 a total of £225,500.</p> <p>The transfer and protection of employment of skilled and experienced staff under TUPE.</p> <p>Reduction in potential for delays at hand over to an outsourced service provider.</p> <p>Reduce the contract management time and resource.</p> <p>Potential to make the best use of the additional staff resource</p>	<p>additional space/workstations to be found at Hove Town Hall (or work from home).</p> <p>BHCC would have responsibility for premises and assets.</p>
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3.10 These options were presented at the Procurement Advisory Board (PAB) 27 January 2020. The Head of Procurement advised a vote was needed, and it was the Board's view that the service should be brought in house.

Extract from PAB minutes 27 January 2020 **Appendix 3**

3.11 The cost comparison between an in-house service and re-commissioning via contract is set out below

Re-commissioning via contract – based on 2019/20 HIA funding structure	Direct costs per year – based on 2019/20	Total cost per year – based on 2019/20
ASC Hr-S core funding	£70,000	£70,000
Caseworker fee - direct payment, costs charged to the dfg capital budget	£38,750	£38,750

Mears fee income (10% cost of work paid on grant completion) paid through the DFG		£155,500
Total funding	<b>£108,750</b>	<b>£264,250</b>

The total cost includes the indirect cost to the council of the DFG funding for Mears fees i.e the 10% of the cost of work paid by the grant applicant to the HIA on completion of works, the cost of which is eligible for and included in the amount of DFG the applicant is awarded.

Commission in house	Estimated Annual Cost	One off cost
Staffing (figures rounded to nearest thousand)	169,000	
Equipment	1,600	4,230
Travel	3,600	
Support Service Costs (SSC)	22,300	
<b>Total Excl SSC</b>	<b>174,200</b>	<b>4,230</b>
<b>Total Incl SSC</b>	<b>196,500</b>	<b>4,230</b>

The staffing costs are calculated using the hourly rate of each member of staff (6 staff, 5.3 full time equivalents) from the TUPE Matrix and with the council's pension and National Insurance (NI) contributions factored in. Equipment costs assume each additional staff member will have a laptop and phone to complete their work and a one-off cost to purchase. Travel costs assume car hire, Enterprise car club, for visits. The increase in Service support costs is estimated based on the number of staff to transfer over (full time equivalents)

These costs could be met as now, with a level of core funding via Housing-related Support and with some staffing costs charged to the capital DFG budget.

- 3.12 The option to provide an in-house service will have TUPE (Transfer of Undertakings, Protection of Employment) implications. Mears HIA Ltd currently employs 6 staff (5.3 ftes) These staff would become employed by the Council, unless any employee chooses not to transfer. Staff would transfer on their existing terms and conditions, with the option to opt into the Local Government Pension Scheme. The council would be responsible for NI and pension contributions. These costs are shown above. Further harmonisation would be negotiated after the transfer in house. We are not aware of any current industrial disputes within the contracted service that may transfer over to the council should we proceed to insource.

#### a. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- a. Not re-commissioning

	opportunities	risks
De-commission/no service offer	Savings achieved: Core funding including performance related: £70k Grant funded – directly i.e. caseworker fees £38,750, indirectly, fees paid by the applicant on grant completion: £155k.	The risks to older and disabled people in the private sector if the service is decommissioned are as identified in the HIA options report in Sept 16: Loss of housing options advice and support to older and disabled people in the private sector, with the associated risks that re-housing options will not be explored, households will remain socially isolated, living in fuel poverty, and an increase in costs to Health and Social Care. Loss of the full casework and technical support services for households going through the adaptations process could result in fewer people accessing DFG assistance – fewer homes adapted, fewer grant completions, spend below target, the capital allocation via DFG not spent on its primary purpose - housing adaptations. With no contract in place BHCC would have no leverage in terms of quality of the service provided to older and disabled people or the referral process and outcomes. Decommissioning the service presents a risk to 260+ residents in need of support annually.

## b. COMMUNITY ENGAGEMENT & CONSULTATION

- a. The background on the service, options and legal advice that TUPE would apply was presented at the Departmental Consultative Committee 3 March 2020. It was agreed Unions to be kept updated.
- b. Staff in-house have been advised of the report to Housing Committee and will be kept updated.
- c. Mears HIA staff have been advised of the report to Housing Committee and will be kept updated. Mears HIA have confirmed they are willing to continue to provide the same service on the same current terms and conditions up to 31 May 2021.

## 6. CONCLUSION

- 6.1 The decision is sought because the contract extension for the services will expire on 31 May 2021 and it is necessary to plan for and implement arrangements for the future provision, particularly as TUPE will apply.
- 6.2 These services are a lifeline for some of the most vulnerable households in the City. Over 260 households were assisted with grant funding last year, the range of services provided helping to prevent higher needs arising, promote health and wellbeing and independent living and are closely aligned to both Housing and Better Care Plan strategies and priorities.
- 6.3 Not providing the service would have a significant detrimental impact on vulnerable households on low incomes living in the City.
- 6.4 Re-commissioning the service or provision in-house ensures continuity of the proactive and preventative work in the context of rising demand and a significant increase in funding via DFG.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 The report identifies in paragraph 3.11 the cost of the current HIA service operated by Mears Home Improvement Agency Ltd. as £264,250 in 2019/20 (funded through a HASC general fund budget of £70,000 and £194,250 by the Disabled Facilities Grant (DFG)). The report compares this cost to the estimated cost of undertaking this service in-house. This is currently estimated as £196,500 with a small one-off equipment cost of £4,230. Therefore, estimates show that the in-house service could cost £67,750 less.
- 7.2 The actual cost of this service being operated in-house will depend on whether there are any costs associated with harmonisation of terms and conditions. If costs did subsequently increase above current levels (by more than £67,750), this would need to be met from the DFG and would therefore reduce the sum available for adaptations. Given the numbers of staff involved (5.3 FTE) this is unlikely.

*Finance Officer Consulted: Monica Brooks*

*Date: 09/11/2020*

### Legal Implications:

- 7.3 If the recommendation to bring this service in-house is approved by Policy & Resources Committee, the Transfer of Undertakings (Protection of Employment Regulations) 2006 (TUPE) will apply. This means that the workers who are employed by Mears HIA immediately before the service is brought in-house will automatically become the council's employees on their existing terms of employment. This will include their existing rates of pay and without a break in their period of employment. Both Mears HIA and the council must inform and (if it

is proposed to take any “measures” in relation to the employees) consult representatives of their own affected employees in relation to the transfer. Legal Services will continue to advise in relation to this project.

*Lawyer Consulted: Wendy McRae-Smith*

*Date: 09/11/20*

Equalities Implications:

- 7.4 The equality implications of not continuing to provide the service are described above, as likely to have a significant and detrimental effect on older and disabled adults and children who would otherwise benefit from housing options advice and support to make well informed decisions about their longer term housing options or help with getting housing adaptations done and access to the mandatory Housing grant to make this affordable. Continuing to provide these services helps ensure the council complies with its public sector equality duty to promote disability equality.
- 7.5 Aspects affecting staffing directly apply to staff currently working for Mears HIA who will either at be risk if the serve is de-commissioned, or the opportunity to continue in employment working for an external provider or where their employment rights are protected under TUPE considerations.

Sustainability Implications:

- 7.6 The provision of these services enables older and disabled households to adapt and improve their homes and to remain living at home for as long as possible. Major adaptations, both council and grant assisted in the private sector, are carried out by specialist contractors on the council’s Adaptations Framework, a separate contract including a requirement to recycle where possible and source sustainably produced materials.

Brexit Implications:

- 7.7 None

Any Other Significant Implications:

None

Crime & Disorder Implications:

- 7.8 none

Risk and Opportunity Management Implications:

- 7.9 Addressed in the body of the report

Public Health Implications:

- 7.10 The provision of these services directly contributes to the City council’s commitment to improve public health, promoting the health and well being of older and disabled people and reducing inequalities for those who are otherwise disabled from accessing and actively participating in the community.

Corporate / Citywide Implications:

- 7.11 The investment in and delivery of timely adaptations helps prevent higher needs arising with all the associated cost savings to other Health & Adult Social Care budgets.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. The Contract Specification for Provision of Home Improvement Service ref BHCC 12115
2. DFG Housing policy
3. Extract from PAB minutes 27 January 2020

**Background Documents**

1. none