

North Yorkshire Council

North Yorkshire Council Executive Committee

18th July 2023

Future Delivery of Minor Adaptation Services

Report of the Corporate Directors Health and Adult Services and Community Development

1.0 PURPOSE OF REPORT

- 1.1 To set out proposals for changes to the delivery model for Minor Adaptation Services currently delivered in a mixed model of in house and commissioned services.
- 1.2 To propose that the Council ceases its commissioned Minor Adaptations service and expands the existing in-house provision to cover the whole of North Yorkshire from April 2024.
- 1.3 To propose that Disabled Facilities Grant (DFG) funding be used to deliver the materials and labour costs of the service where funding permits, alongside Council funding and to note that a full review of how DFG is deployed will be carried out which could result in further maximisation of the grant and reduce the pressure on the revenue budget.

2.0 SUMMARY

- 2.1 This paper sets out the proposal to change the delivery model of Minor Adaptations Services from a mix of commissioned and in-house provision to a solely in-house model supported by DFG funding.

3.0 BACKGROUND

- 3.1 North Yorkshire Council (NYC) currently delivers minor adaptations services across the county in a mixed model which is a legacy of pre-LGR arrangements.
- 3.2 These services provide adaptations that cost under £1,000, such as grab rails and step adaptations to people assessed as having a need for such changes to allow them to continue to live independently.
- 3.3 Under the model, Scarborough Borough Council delivered the service through the in-house White Rose Home Improvement Agency (WRHIA) across Scarborough and Ryedale, whilst the remainder of the county was served by a commissioned contract which has been delivered by Yorkshire Housing (YH) since 2018.
- 3.4 Whilst these arrangements made sense in a two-tier authority, LGR presents the opportunity to rationalise this service, develop a single offer and to utilise DFG funding to reduce the direct cost to Directorate budgets. This will create a stronger, more consistent service for people accessing the service and will realise savings to the Council.
- 3.5 The current contract arrangements with Yorkshire Housing run to April 2024, which means there is a window of opportunity to take early advantage of changes through LGR and deliver improvements and savings from this service.

4.0 COUNTYWIDE MINOR ADAPTATION PROVISION

- 4.1 Minor Adaptations play a significant role in supporting people to remain independent and living in their homes as they either age or develop health and care needs. By adapting a person's home, the Minor Adaptations service allows a person to continue living in their own home, avoiding the need for a move to more specialist accommodation which can come at a significant detriment to the individual as well as increased cost to NYC. The service can also be accessed by the Health Service supporting timely discharge from hospital.
- 4.2 As set out at 3.3, the Council currently operates a mixed model of commissioned and in-house provision, as managed by the previous district councils:
- White Rose Home Improvement Agency (in-house): Scarborough, Ryedale
 - Yorkshire Housing (Commissioned): Craven, Hambleton, Harrogate, Richmondshire, Selby
- 4.3 As well as separate delivery models, the in-house provision delivered in Scarborough and Ryedale also allows for an alternative funding model to be deployed which utilises DFG funding to support the service, as follows:
- 4.3.1 Under the commissioned contract, the service is billed on a per job basis with all labour, material and overhead costs charged to Adult Social Care Council budgets (within Health and Adult Services – HAS).
- 4.3.2 In the former Scarborough and Ryedale district council areas, SBC was able to utilise DFG funding allocated through the Better Care Fund, together with a contribution from HAS for the cost of material (£35k).
- 4.4 As set out below in paragraph 8.4, the current service expenditure budget is £475k, although in 2022/23 actual spend was £494k, an overspend of £19k. The impact on Council funding increased to £34k by not using the full DFG budget and under-recovery of other income.
- 4.5 This indicates that there is significant scope for financial savings by rolling out the DFG supported model to the whole county, this is set out in more detail at section 8.0.

5.0 CONTRIBUTION TO COUNCIL PRIORITIES

- 5.1 The proposal is in line with the HAS 2025 vision of people living longer, healthier, independent lives and our three priorities.
- Opportunities for everyone, everywhere – the service will provide a consistent and accessible service for the delivery of minor adaptations across the county
 - My time and experiences are valued – as a single delivery service for the county, the service will work to remove any unnecessary delays.
 - My home, my community, my choice – the service will enable residents to remain in their own homes for longer.
- 5.2 The proposal supports the vision of the 2023-2027 North Yorkshire Council Plan to deliver 'locally based and integrated council, partner and community services'.
- 5.3 The proposal also represents a significant Local Government Re-organisation opportunity to rationalise a service, improve quality and save money. This project has been jointly driven by teams in HAS and Community Development and is an example of the kinds of

opportunities which exist, particularly within the housing arena as the new Council develops.

6.0 ALTERNATIVE OPTIONS CONSIDERED

6.1 Two alternative options have been considered and deemed unacceptable as follows:

6.2 i. Commissioning a Countywide Services, thereby outsourcing the existing in-house component:

- However the ability to allocate DFG funding may be more complicated and therefore at risk of fulfilling grant conditions
- TUPE costs of moving services out of NYC are often prohibitive and the need to underwrite significant costs relating to pensions etc. would be significant

6.3 ii. Continue with a mixed model of commissioned and in-house services

- As above, this option may not realise the full financial efficiency of using DFG funding and as such could reduce any direct savings
- The service would continue to vary based on locality with both customers, partners and NYC colleagues having to access and navigate two separate services
- Recommissioning a service would require considerable time and resources which are not currently allocated within HAS Service Development or procurement workplans.

7.0 IMPACT ON OTHER SERVICES/ORGANISATIONS

7.1 The proposal creates significant opportunities for services across the organisation. Colleagues employed within the service are already trusted assessors and perform welfare checks and onward referrals as appropriate. This activity could be expanded (although this will need to be kept within reason) to include work with Living Well and Public Health funded services as well as work with environmental health and other statutory services. This would expand the role of the Handyperson service in a preventative sense, allowing the team to pick up on risks and issues they observe and offering referrals to other services / organisations. This will need to be balanced with the need for the team to work to a tight schedule of job delivery to ensure efficient service delivery.

7.2 There is also scope, in time, to expand the service to deliver support into NYC-owned housing stock, as well as expanding the 'small jobs' offer to private paying customers to generate revenue.

8.0 FINANCIAL IMPLICATIONS

8.1 The existing 2023/24 Minor Adaptations gross expenditure budget across North Yorkshire is £475k with budgeted funding through DFG and third parties of £161k. This results in a net budgeted cost to the Council of £314k. This is set out at paragraph 8.4 below.

8.2 In 2022/23 gross expenditure totalled £494k with £146k of funding utilised through DFG and third parties resulting in a net cost to the Council of £348k against a budget of £314k. Again, this is set out at paragraph 8.4 below.

8.3 By bringing this service in house, the proposed overall cost is £395k, as shown at paragraph 8.5 below, and is well within existing budgets. As described at paragraph 4.3, Adult Social Care budgets cover the YH costs for materials and labour whereas the WRHIA

costs are materials only, as labour is funded through DFG. Deployment of additional DFG funding, if budgets allow, would realise further efficiencies.

8.4 Existing costs/budgets are as follows, showing the previous district-based split:

| | £000s | £000s |
|----------------------|----------------|----------------|
| | Outturn | Budget |
| Costs | 2022/23 | 2023/24 |
| YH - Harrogate | 91 | 90 |
| YH - Craven | 40 | 45 |
| YH - Ham/Rich | 135 | 95 |
| YH - Selby | 46 | 49 |
| WRHIA - Scar/Ryedale | 182 | 196 |
| | <u>494</u> | <u>475</u> |
| | | |
| Funding | | |
| DFG | 143 | 157 |
| Small repairs income | 3 | 4 |
| Council budget (HAS) | 348 | 314 |
| | <u>494</u> | <u>475</u> |

8.5 The proposal to move to a fully in-house delivery model, as set out below, would allow for the Minor Adaptations service to be delivered at a cost of £395k against a budget of £475k, realising a saving of £80k (or 17%) per year. The table below sets out the proposed budgets:

| | £000s |
|--------------------------|--------------|
| Gross Expenditure | 395 |
| Funding | |
| DFG | (157) |
| Third Parties | (4) |
| Total Funding | (161) |
| | |
| Net Cost | 234 |

8.6 It is therefore proposed that the budget saving of £80k be realised from financial year 2025/26 with the total saved in Year 1 of the new approach being used to fund set up costs around vehicles and equipment. Some of this funding may be required to be spent prior to April 2024.

8.7 As stated above, the service overspent in 2022/23. Actions will be put in place to mitigate this risk recurring. The Home Improvement Agency Team will monitor spend and activity on a monthly basis to ensure that the service is forecasting spend within budget. This will be reported to both Community Development and HAS Heads of Service / Leadership Teams on a quarterly basis, with any variation of more than 10% escalated urgently along with proposed actions to remedy the position. Should overspends be forecast, the service will work to address these jointly with the OT teams through reviewing the eligibility and activity levels of referrals.

8.8 Disabled Facilities Grant funding is administered through the Better Care Fund. Alongside the provision of mandatory grants, the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO), enables local authorities to use DFG funding for wider

purposes, to support the strategic priorities which integrate health, wellbeing and housing, for the benefit of local residents.

- 8.9 Community Development has committed to a full review of how DFG is deployed to support NYC priorities and support Directorates most effectively in achieving cost effective delivery of services which can be considered under the funding stream. Minor Adaptations is a small part of the opportunity in this area, and as part of the service already utilises DFG to support delivery, and the contract for the remainder of the service expires in April 2024, this is a prime early opportunity to shift to a DFG supported funding model.
- 8.10 Depending on the level of spend through the DFG it may be possible to realise further savings to HAS budgets through the use of DFG funding. However the level of residual DFG funding available would be entirely contingent on the demands made on the Mandatory element. Whilst in previous years there has been more than enough funding available to fully fund this proposal that may not always be the case, especially as construction costs continue to rise rapidly.
- 8.11 Should this approach be pursued, a full monitoring process will be developed between HAS and CD to understand ongoing spend and likely cost to the budgets involved, allowing for early identification of any position where DFG would be unable to fully support the service.
- 8.12 Each year the service will provide benchmarking information on costs and efficiency to ensure that the in house provision is providing effective value for money. This will be reported to both HAS and Community Development leadership Teams along with an action plan for remedial action if required.

9.0 LEGAL IMPLICATIONS

- 9.1 Legislation permits the use of DFG allocation to fund the service. Although demand and cost for mandatory adaptations funded via the DFG is increasing, the Government recently announced an increase in DFG allocation of £102 million for the next 2 years. We are yet to receive confirmation of our increased allocation, but it is anticipated that these additional funds can be utilised to part/fully fund an in-house service across the county.
- 9.2 The service supports our duty as a local social services authority to help adults with home adaptations. There are further links with other legislation, such as the Housing Grants, Construction and Regeneration Act 1996 (disabled facilities grants) (also delivered by the White Rose Home Improvement Agency) and the Care Act 2014
- 9.3 Procurement and legal advice has been sought. The White Rose Home Improvement Agency is currently utilising an external framework to ensure a complaint route to market for materials. However, options will be appraised once the new service has been established to ascertain whether the Council should create its own framework relating to the purchase of materials.
- 9.4 The current contract in place with Yorkshire Housing ends in April 2024, there are no constraints on the ending of this contract and the subsequent move to an in-house offer, although the comments about TUPE should be noted (paragraph 13.3 below).

10.0 EQUALITIES IMPLICATIONS

- 10.1 An Equality Impact Assessment Screening tool has been completed which determined that a full EIA is not required for this change.

11.0 CLIMATE CHANGE IMPLICATIONS

- 11.1 An initial Climate Change Impact Assessment has been completed and determined that as the proposal moves an existing service into NYC there will be an increase in NYC's overall emissions but not a net increase at a County level, therefore a full CCIA is not required.
- 11.2 Over time, a countywide service will allow a review of the carbon footprint for the delivery of minor adaptations. It will permit bulk ordering to reduce deliveries and the referral system will reduce unnecessary travel by maximising site visits in the locality, without the need to return to base. The service will link with refuse services to ensure that waste is disposed of suitably and waste re-cycling is maximised. The service will also recycle redundant equipment where possible throughout the county.

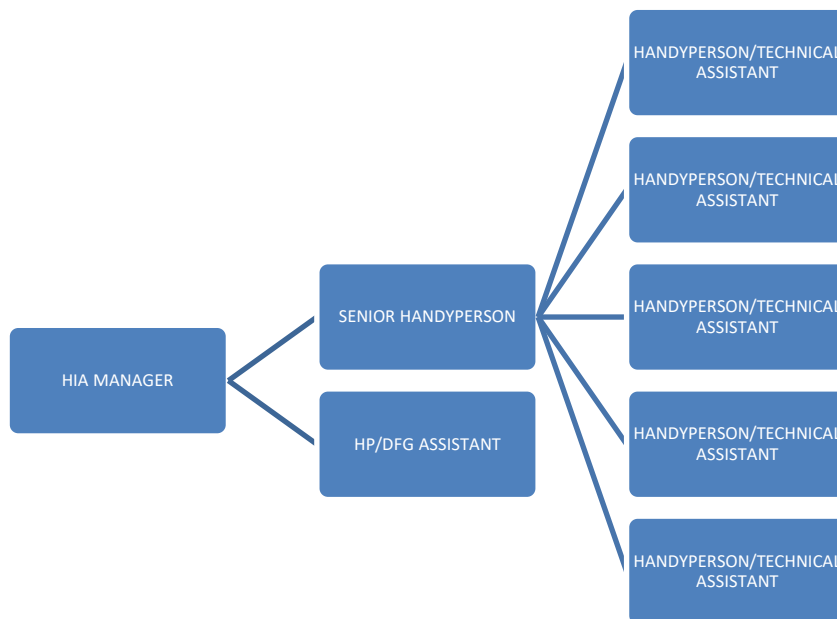
12.0 PERFORMANCE IMPLICATIONS

- 12.1 The new service will build on the comprehensive performance reporting already in place, to include:

Completing 100% of hospital discharge requests within 48 hours
 Completing 100% of all other referrals within 2 working weeks (subject to any external factors)

13.0 HUMAN RESOURCES IMPLICATIONS

- 13.1 Significant growth within the service will likely require a restructure within the existing in-house structure, the proposed new structure is as follows:



- 13.2 New job descriptions are being developed and colleagues in Job Evaluation are engaged with ensuring these roles are appropriate.
- 13.3 Staff employed within the current commissioned service with Yorkshire Housing will be eligible to TUPE to NYC at the point where the service transitions. HR Business partners are aware of the project and will support the service.
- 13.4 Full details of pay and conditions for these staff are not known at this point, however it is highly unlikely that these would exceed those offered by NYC and as such there is no financial risk associated with the transfer.

14.0 ICT IMPLICATIONS

- 14.1 The in-house service currently utilises the Scarborough DASH IT system. This system has been developed in house and is adequate for the needs of the service but will require further development to enable it to support a countywide service.
- 14.2 Whilst this system can support the service through the mobilisation and transition phase, consideration needs to be given to ongoing support and maintenance.

15.0 RISKS

| Risk | Mitigation |
|---|--|
| <p>There is a risk that demand for the service outstrips the activity-based budget and results in overspends or the inability to action adaptations</p> | <p>The HIA Manager will monitor spend within the service on a monthly basis to ensure this is in line with the budget forecast.</p> <p>Where overspends are projected based on either activity or soft intelligence of future demand, this will be escalated to HAS and CD Directorate Leadership Teams along with an action plan for bringing the budget back into balance.</p> <p>Where decisions are required on the prioritisation of works, this will be done in conjunction with HAS OT teams to ensure effective decision making.</p> |
| <p>There is a risk that staff from the existing service do not / do not want to TUPE into NYC to work within the service.</p> <p>The terms of and conditions of these staff are unknown and may represent a small financial risk to the proposed model.</p> | <p>Engagement with the existing provider will begin during the summer of 2023 to allow sufficient time for the TUPE process to be carried out.</p> <p>Should staff not wish to transfer to NYC, recruitment for the new service will begin in time to allow for new colleagues to be in place and fully trained ahead of the service start date.</p> <p>It is unlikely that staff within a commissioned provider are on more favourable Terms and Conditions than would be the case under NYC. This will be fully explored through Summer 2023 as part of the TUPE process and should any risks be identified these will be escalated to Directorate Leadership Teams.</p> |
| <p>There is a risk that DFG funding is significantly amended or reduced, placing pressure on the funding model for the service.</p> | <p>Whilst unlikely, DFG will continue to be monitored through the IBCF process, with strong evidence provided of the impact the funding has on NYC's ability to deliver the BCF priorities.</p> <p>Should indications be given of significant changes to DFG funding these will be escalated at the earliest opportunity.</p> |
| <p>There is a risk that the proposed model of delivery does not deliver the level of savings and efficiencies proposed and / or increases costs, aligned with a risk that the service offer may not be as good as that currently provided.</p> | <p>The risk of this is low as the evidence from the delivery by WRHIA in recent years gives confidence from both a financial and service delivery perspective.</p> <p>Should the annual reporting set out in this report indicate that this risk is emerging, the option remains to consider alternative delivery models such as commissioning the service or exploring alternative models of funding and delivery.</p> |

16.0 CONCLUSIONS

- 16.1 The proposal set out above represents a very significant joint piece of work between HAS and Community Development which will improve services whilst saving the council significant sums of money.
- 16.2 This level of joined up working goes to the core of the opportunity presented by LGR as there are two services in place delivering an essentially identical service offer to the same customer group. The rationalising of these services through this proposal and the deployment of DFG funding will create better outcomes for people and professionals as well as contributing to the council's financial targets.

17.0 REASONS FOR RECOMMENDATIONS

- 17.1 As set out in detail above, the proposal can evidence financial savings, streamlined processes and a more joined up offer to the people of North Yorkshire. Whilst levels of spend between the two components will need to be carefully managed, it is the view of both Directorates that this proposal represents a significant step forward in the delivery of this service.

18.0 RECOMMENDATIONS

The Executive are asked to:

- i) Cease the provision of a commissioned Minor Adaptations Service from April 2024
- ii) Approve that Community Development begin detailed work to mobilise a Countywide Minor Adaptations service from April 2024
- iii) Approve the continued use of DFG funding to support the service and note the further work on maximising this grant as per section 8.9 above.

APPENDICES:

Appendix A – Equalities Impact Assessment Screening Tool
Appendix B – Climate Change Impact Assessment Screening Tool

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