
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 11
DATE OF MEETING:	12th OCTOBER 2017	CATEGORY: RECOMMENDED
REPORT FROM:	GED LUCAS – STRATEGIC DIRECTOR	OPEN
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SUBJECT:	DISABLED FACILITIES GRANTS – DELIVERY OF THE 2017/18 ALLOCATION	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

- 1.1 That Members approve the appointment of a Technical Officer (scale 6 – subject to Job Evaluation) on an 18 month fixed term contract to address the current underspend on mandatory Disabled Facilities Grants (DFGs) and enable the expansion of the service and increased capacity within the team.
- 1.2 To review and adapt the existing grant administration process to remove the task of procuring each individual job. This will involve undertaking a larger procurement exercise to identify a small number of contractors within a framework agreement who will work under a 2 year measured term contract (this will not include major adaptations over £25k which will still go out to tender on an individual basis)
- 1.3 To review the use of the Better Care Fund (BCF) allocation and the existing DFG policy and bring proposed revisions and amendments back to Housing and Community Services Committee in March 2018

2.0 Purpose of Report

- 2.1 To seek approval for the recruitment of an 18 month temporary fixed term post to address the significant underspend of the mandatory DFG allocation within the BCF.
- 2.2 To amend the Council's current restrictive administration process that requires each grant to be procured individually – this additional task increases the timescale of delivery of each job by 4 weeks

3.0 Executive Summary

- 3.1 South Derbyshire District Council in its role as a local housing authority, is under a statutory duty by virtue of the provisions of the Housing Grants, Construction and Regeneration Act 1996 (the Act) to provide Disabled Facilities Grants (DFGs) for private sector residential adaptations where the appropriate legislative conditions are met.
- 3.2 The allocation of funding from the Better Care Fund to support mandatory Disabled Facilities Grants in South Derbyshire stood at £1,143,658, which includes a 2017/18 allocation of £674,829 along with a carry forward from 2016/17 of £468,829.
- 3.3 The current commitment of spend for DFGs in 2017/18 is £338,000, leaving £805,658 unallocated
- 3.4 Approval of the above recommendations would allow a significant reduction in the amount of underspend at the end of the financial year and increase the capacity of the DFG team to establish and deliver new initiatives and enhanced services to improve health and wellbeing of residents
- 3.5 The existing DFG administration process incorporates a 4 week procurement exercise for each individual job, this part of the process is both time consuming and causes a lack of transparency as contractors are bidding for numerous jobs within each financial year. The Council could therefore achieve better value for money, and increased levels of commitment and control by undertaking a larger procurement process to put a measured term contract in place that can be reviewed annually or bi-annually

4.0 Detail

- 4.1 The Council need to undertake a wider review of the Better Care Fund allocation for this financial year and 2018/19. The capital funding allocated for prevention services which includes an allocation for the delivery of mandatory DFGs, can be spent on a range of other services that focus on keeping people out of hospital and maintaining independence. The recommendations above are the first part of this process and are required to increase capacity within the section that will in turn enable the creation of new services that will improve the health outcomes of residents in the District
- 4.2 The Council was required to produce a localised Assurance Plan for 2017/18 to set out how the BCF allocation will be utilised based on financial projections and previous commitments with the Housing Strategy Action Plan.
- 4.3 It is recognised that without forward planning and additional recruitment to deliver the Grants, any underspend from 2017/18 may be lost as the BCF s.75 agreement assumes that all underspends will be returned to the pool and re-allocated against agreed priorities. To date no DFG grant has been re-claimed and re-allocated, but this has been identified as a future risk
- 4.4 The Council are currently procuring each individual job as part of the grant administration process. This is an arduous task that adds 4 weeks to the timescale of each job and is also a risk to the Council as the same contractors are bidding for multiple jobs which, over the course of a year, amount to tens of thousands of

pounds which would have been subject to higher levels of scrutiny in terms of financial regulation.

- 4.5 The Council are therefore seeking to rectify this issue and speed up the delivery process by undertaking a larger procurement exercise to appoint contractors to work within a framework agreement. Contractors appointed to the framework will need to evidence value for money within their tender in addition to experience, health and safety requirements, financial viability and capacity within their organisation. This would give the Council an advantage both in terms of knowing contractors will have capacity to undertake jobs and financially as the Council will be able to more accurately predict costs allowing for better financial planning.

5.0 Financial Implications

- 5.1 To fund the additional 18 month fixed term Technical Officer post, the Council are able to utilise £48,750 from the BCF allocation for 2017/18. This use of the capital funding allocation is deemed acceptable as it is being used to deliver works that will help keep people out of hospital and assist in maintaining independence for longer within the home (the spend is aligned with the key outcomes and focus of the BCF Programme and overarching STP principles). From an accounting point of view, the salary costs can be capitalised as professional fees against the capital expenditure.
- 5.2 In April 2016, the Finance and Management Committee approved a standing list of suppliers to undertake smaller individual jobs and was based on at least 3 quotes being obtained for each individual job. This satisfied the Council's own procurement regulations. At that time, this was preferred to having a Framework in place and operating on a schedule of rates basis.
- 5.3 However, with the increase in the value of overall works on an aggregated basis, the revised approach would ensure that the Council also operated within EU tendering limits. Having a measured term contract and framework agreement in place will reduce the number of contractors compared to the current standing list. However, it may be prohibitive for some of those organisations bidding into the tendering process.
- 5.4 Risks – The risk of not spending the remainder of the mandatory DFG grant allocation is that the un-spent funds will be returned to the pool and re-allocated in accordance with the BCF s.75 agreement, especially if there are pressures in other areas. In the past, un-used allocations have been carried forward from year-to-year. In order to mitigate this risk, the Council has regular dialogue with the County Council at Officer level so that the Council's plans and future commitment is fully understood. The appointment of an additional officer and plans to utilise the wider BCF are part of that process.

6.0 Corporate Implications

- 6.1 The proposals contained in this report link directly to the following actions within the Housing Strategy 2016 – 21;
- Review the DFG process to ensure that DFGs are delivered as effectively and efficiently as possible

- Recruit additional resources to support the team in delivering DFGs in line with the Housing Department restructure that will be implemented from September 2017
- 6.2 Legal implications – The procurement of the measured term contract would be carried out with assistance from the in house procurement team in accordance with the Public Contract Regulations.
- 6.3 HR Implications – approval of the recommendations contained within this report will require the recruitment to a temporary 18 month post within the Strategic Housing Team that will report directly to the Architectural Project’s Officer. This role could be recruited either from within the Council on a secondment basis or through external advertisement. The grade of the post will be subject to Job Evaluation.
- 6.4 Communication – it is important that following approval of the proposed recommendations, The Council inform the BCF Programme Board about the intention to increase capacity and spend the remaining funds for 2017/18 inclusive of the carry-over from the previous year. A separate report will be taken to March Housing and Communities Committee outlining how the remainder of the funds will be utilised to avoid losing any of the District’s funding allocation

7.0 Community Implications

- 7.1 The recommendations contained within this report will have a direct impact on vulnerable households living in the District. The recruitment of an additional officer will ensure that an additional £100k worth of grants will be delivered by the end of the financial year and a further £200k by the end of March 2019 when the fixed term contract comes to an end.
- 7.2 By undertaking a review of the tendering process through procurement of a measured term contract, the time to deliver each grant (from OT referral to completion of works) will reduce by 4 weeks as there will be no need to go out to tender for individual jobs under £25k – this will also have a positive impact on the service user

8.0 Conclusions

- 8.1 The actions contained within this report will provide a basis for the undertaking of a wider review of the DFG process and the wider use of the Better Care Funding. It is essential that the Council increases capacity and delivery within this service area to benefit a greater number of people who are waiting for adaptations to their homes. The Council must also have robust plans in place to utilise the BCF allocation to avoid losing funding at the end of the financial year (and having a reduced allocation next year). South Derbyshire District Council received an allocation of over £1.1m to deliver mandatory DFGs and other initiatives aimed at promoting independence and keeping people out of hospital. This report focuses on the urgent tasks of delivering this year’s mandatory DFGs and reducing the length of each grant delivery by adopting a simpler and transparent procurement process.

9.0 Background Papers

- 9.1 South Derbyshire District Council and Derbyshire County Council Joint Plan for 2017/18 – (Assurance Plan)