

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO CABINET

19 JANUARY 2021

### REPORT OF THE INTERIM CHIEF OFFICER - FINANCE, PERFORMANCE AND CHANGE

#### DISABLED FACILITIES GRANTS (DFGs)

##### 1. Purpose of report

1.1 The purpose of this report is to update Cabinet on the proposal to develop and implement a new model of service delivery for Disabled Facilities Grants (DFGs) and approve the:

- Implementation of a new model of working that will see the Council internalise the functions of the DFG process for both children and adults
- Utilisation of the capital budget to support the internalisation of the DFG process
- Seek delegated authority to enter into a Collaboration Agreement with Neath Port Talbot County Borough Council for a period of up to two years to provide support whilst Bridgend's internal model is developed and established.

##### 2. Connection to corporate well-being objectives / other corporate priorities

2.1 This report assists in the achievement of the following corporate well-being objective / objectives under the **Well-being of Future Generations (Wales) Act 2015:-**

1. **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
2. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

##### 3. Background

3.1 In 2018, the Wales Audit Office (WAO), now Audit Wales, undertook a review of DFGs in the Council which made a number of recommendations the report was presented to the Audit Committee. In addition, an internal audit report (March 2020) highlighted key elements for improvement and action.

- 3.2 Following the Audit Wales report in 2018, significant work has been undertaken by officers in reviewing the delivery of the DFG service in Bridgend, taking on board the recommendations. This has included exploratory work with other local authorities to gather information on other models in place and a 'lean thinking' review supported by an external consultant experienced in this field. The review looked at the current process to identify the shortcomings of the current model.
- 3.3 Visits to neighbouring Councils were undertaken to learn from their reviews and the subsequent re-modelling of their DFG services. One of the authorities had been highlighted by Welsh Government as good practice. All the authorities operate an internal DFG service to oversee the application from start to finish. The financial models across Councils in Wales varies:
- Some Councils top slice the budget to cover costs
  - Other Authorities charge a set percentage of fees ranging from 10% to 15% of works' costs.
  - Some authorities also charge an administration fee in addition to a set percentage of fees
- 3.4 Bridgend's DFG capital budget currently funds Council administration fees of £395 per application and, in addition, pays fees to external third party agents who are appointed on an individual basis by the applicant.
- 3.5 An analysis of fees paid for the last 3 years shows a total of £417,128 has been paid for mandatory DFG fees, an average of around £139,000 per year.

2017/18	£	151,581.53
2018/19	£	129,967.37
2019/20	£	135,579.14
<b>Total</b>	<b>£</b>	<b>417,128.04</b>

- 3.6 Applicants are currently able to choose their own agent from a list the Council provides. This list is for information purposes only and does not constitute a recommendation or preferred suppliers list. There are around six individual private agents on that list, which currently operate in Bridgend. Applicants find this part of the process a challenge and often seek reassurance and recommendations from the Council as to which agent to use, which the Council is unable to provide.
- 3.7 The DFG service has seen a reduction in the number of staff through staff movement and early retirement. The current DFG team structure has four posts, undertaking both surveying and assessment roles, with one temporary support post funded from the budget as outlined in section 8 of this Report. Currently only one Senior Surveyor post and the temporary support officer role is filled, the other two posts are vacant.
- 3.8 In order to ensure services continued during this period of assessment the Council entered into a Memorandum of Understanding (MOU) with Neath Port Talbot Council (NPT) during 2019/20 from October 2019 to March 2020. The MOU provided surveying support for the service whilst a decision on the future model was explored.

This was crucial in allowing the service to be maintained during this period, which would not have been possible without this support.

- 3.9 The arrangement with NPT was funded from salary underspends and was not an additional cost to the service. Expenditure for the 2019/20 period was £42,000. The MOU was further extended for a three month period during the Covid-19 situation until the 30<sup>th</sup> June to work on current applications so that they could be resumed once lockdown restrictions were lifted. This is now a critical issue, as the Council will need to progress significant numbers of grant applications however; the current arrangement with NPT has now expired.

#### 4. Current situation/proposal

- 4.1 National Strategic Indicators are used to measure the performance of local authorities at a national level. Local authorities in Wales are legally obliged to collect and publish data for each of the indicators, and a sample of the indicators are subject to audit by the Audit Wales (AW). Each indicator is aligned to one or more of the Welsh Government's strategic priorities, they have been chosen for their focus on outcomes.
- 4.2 The DFG service in Bridgend has consistently performed poorly in relation to the National indicators as can be seen from the table below. The table outlines the performance of Bridgend from 2016 onwards. The National indicators only monitor the average number of calendar days taken to deliver a DFG. Bridgend is currently ranked 20<sup>th</sup> in Wales based on the PAM/015.

		2016-17	2017-18	2018-19	2019-20
<a href="#">PSR002 (PAM/015)</a>	The average number of calendar days taken to deliver a Disabled Facilities Grant.	242.41	282.55	290.76	291.87
<a href="#">PSR009a</a>	The average number of calendar days taken to deliver a Disabled Facilities Grant for Children and young people.	421.18	485.83	572.25	477.86
<a href="#">PSR009b</a>	The average number of calendar days taken to deliver a Disabled Facilities Grant for Adults.	225.16	266.51	273.16	284.25

- 4.3 During the course of the application process applicants can receive paperwork from the Council, the Agent, and from the Contractors undertaking the work. Applicants can be confused by receiving paperwork from different sources, which means they are often unclear about whom to contact to resolve any queries or problems.
- 4.4 Service users often contact the Council with complaints and queries when in fact the conversation for the resolution lies with the Agent. This is becoming increasingly apparent in recent complaints received by the Service made by applicants' families who are questioning the process and responsibilities.

- 4.5 After consideration of factors raised by Audit Wales, Members, Scrutiny and Internal Audit, alongside the research carried out with other local authorities, officers have concluded that a fundamental change is required to the service and that the role of the agent has not provided value for the citizen or the Council.
- 4.6 It is therefore proposed that the Council establishes a pilot project that will internalise the DFG service. The internalisation will facilitate the diversion of the fees back into the DFG service to increase the capacity of the team to take on a more proactive facilitation and engagement function. The delivery of the DFG service end to end will be under the remit of a “person centred approach”. As the agent role is not a mandatory function it will not be part of the new service delivery model. Applicants will still have the right to choose an external agent instead of using the Council however in doing so all risk will sit with the applicant and they will have to pay the administrative fees.
- 4.7 The implementation of the new DFG service model will be a significant change and will require support. A full review of all processes and procedures will need to be undertaken along with training for the current team. In addition, new posts will be created and these will need to be recruited. The new posts will also need to be trained in providing the DFG Service. It is therefore crucial that day-to-day service delivery for applicants is maintained whilst the new model of service is being developed.
- 4.8 To provide the necessary capacity while the pilot for internalisation is being initiated and recruitment takes place, it is proposed that a Collaboration Agreement with Neath Port Talbot County Borough Council (NPT) is entered into. NPT already has an in-house DFG service and can provide the capacity. It is felt that through collaboration with NPT, both parties will benefit through shared learning, covering aspects such as reviewing policies, procedures and working practices, alongside the introduction of new ideas, which NPT may choose to utilise or implement in their own in-house service. The latter includes the creation of a Digital Platform and a Framework Agreement for contractors to carry out the works required under the DFG applications:
- 4.8.1 Digital Platform - investigatory work will be carried out to develop a digital platform to facilitate a streamlined referral and engagement process supporting the applicant through the lifecycle of their DFG.
- 4.8.2 Contractors Framework - the establishment of a framework agreement from which contractors can be appointed, to carry out the works required under the applications/referrals. Both Parties shall work together to scope out the framework agreement.
- 4.9 By entering into the collaboration agreement with NPT, NPT are providing a service to the Council that would be subject to the requirements of our CPRs but the preferred approach being recommended to Cabinet is that this be dealt with through a collaboration with NPT and as such the requirements of the CPRs need to be suspended. Legislative provisions do exist to allow local authorities to collaborate to provide services however, they do not overrule the procurement obligations but they do reduce the overall potential for a challenge, as it is a commonly used tool for the provision of services. Cabinet should be aware, that in entering into this collaboration agreement the Council is not complying with its contract procedure rules. The contract procedure rules will need to be suspended in order to enter into

this collaboration agreement with NPT. The Council is exposed to the risk of potential challenge from other providers of such services, as the Council is entering into a contract without any competition, which breaches the requirements of procurement legislation.

- 4.10 The aspiration for the internalisation of the DFG service is one of continuous improvement. The success will be measured against the existing PAM/015 criteria for all “new DFG applications” that come into the DFG service. The table below outlines one of outcome baselines that will be used to measure the success of the pilot during the course of the two year period:

		Year 1 Pilot 2021-2022	Year 2 Pilot 2022-2023
<a href="#">PSR002 (PAM/015)</a>	The average number of calendar days taken to deliver new Disabled Facilities Grant.	240	210

Other performance indicators (PIs) will be developed over time e.g. satisfaction and quality to measure the success of the pilot, in order to inform further change if appropriate.

- 4.11 The key drivers for the fundamental change:

4.11.1 Accountability. The statutory duty lies with the Council to provide the service but its control on quality, safeguarding issues and responsiveness is hampered by a lack of control over the whole process end to end. There are currently numerous points of failure existing in the current process.

4.11.2 Responsiveness and person centred approach – the delivery times for DFGs, particularly for complex children’s cases, is not consistent with a person centered approach. The Council is in the bottom quartile for Wales in terms of delivery times.

- 4.12 The proposal to implement a pilot for the delivery of an in-house DFG service is designed to improve the current delivery model.

4.12.1. The new model will require the cessation of the provision of the agent list by the Council as the Council will be delivering the DFG service in-house. It should be noted however that the citizen would still have the choice to go externally if they wish.

4.12.2 The delivery of the in-house service will require the expansion of the current team through a recruitment process to ensure the correct skills such as surveying, technical knowledge etc. will be in place to take on the additional functionality and responsibility. Staffing costs will be funded directly from the capital budget for those staff solely employed on DFGs.

4.12.3 There will be a focus with regards improving of the Childrens DFGs National indicator (PSR009a) this is the measure of the average number of calendar days taken to deliver DFGs for children and young people. The historic performance of the indicator is referenced in section 4.2.

- 4.13 A project management approach will be undertaken for the pilot. This will have a clear timescale and an implementation plan. Evaluation and monitoring will continue throughout the process. It is therefore intended to establish a project team to be responsible for the development, implementation and monitoring of the pilot.
- 4.14 NPT shall be taking a report to their Cabinet in January to consider the Collaboration Agreement. The Collaboration Agreement shall be for a period of up to two years to provide support whilst Bridgend's model is developed and established.
- 4.15 There are potential risks with regards the internalisation and the move to a new operating model. However these risks will be robustly managed through a performance management framework implemented as part of the project management approach referenced in 4.13. The potential identified risks are:
- 4.15.1 The Council being unable to achieve the aspirational targets outlined in section 4.10 of this report in terms of reducing the existing average number of calendar days taken to deliver Disabled Facilities Grant.
  - 4.15.2 the Council being unable to expand the current team through the recruitment process which will have an impact on the pilot project timeline and the intended transition of delivery from NPT.
  - 4.15.3 Delay in the implementation of the Framework Agreement to appoint contractors to carry out the works required under the DFGs.
  - 4.15.4 Potential challenge arising from the suspension of the CPRs to implement the Collaboration Agreement
  - 4.15.5 Delay in entering into the Collaboration Agreement with NPT
  - 4.15.6 Impact of the Covid-19 Pandemic with regards contractors having access to materials and resources which could affect the pilot project timeline and the Disabled Facilities Grants performance indicator outlined in section 4.10.
- 4.16 The benefits of moving to the new operating model are outlined throughout this report. The new model will be more responsive, accountable and compliant. For example:
- 4.16.1 The Council will be able to engage directly with contractors through a newly established Framework Agreement enabling better safeguarding and quality control processes. Until such a time as the Framework Agreement is initiated, their appointment will be in accordance with the Contract Procedure Rules via Constructionline.
  - 4.16.2 The Council would have a direct relationship with the contractor for each DFG and would be able to programme works more effectively and respond to queries and complaints sooner.
  - 4.16.3 The internalisation of the DFG service provides the Council end to end ownership of a DFG application from start to finish. This will ensure that quality and delivery standards are a key cornerstones of the service.

4.16.4 There would be a clear simple process for the applicant.

4.16.5 The performance and the customer experience would be improved through the single point of contact arrangement alongside a robust escalation process putting the applicant at the centre of the DFG service.

4.16.6 Reduction in the average number of calendar days taken to deliver a Disabled Facilities Grant, which is measured by the national indicator PAM/015. The improvement would benefit the applicant enabling them to continue to live safely in their own homes.

4.16.7 Ownership of the DFG service end to end provides the Council the opportunity to continually review progress and identify opportunities for improvement throughout the lifecycle of the pilot.

## **5. Effect upon policy framework and procedure rules**

5.1 There is no effect on policy framework and procedure rules

## **6. Equality Impact Assessment**

6.1 DFGs are available to disabled people who are in need of changes to their home. Whilst the proposals in the report to Cabinet will affect the DFG process, there will be no impact in terms of the eligibility or availability of a DFG. An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics and therefore a full EIA is not needed at this stage. As there will be continued provision to service users there will be no expected negative impact in this regard.

## **7. Well-being of Future Generations (Wales) Act 2015 implications**

7.1 The Well-being of Future Generations (Wales) Act 2015 provides the basis for driving a different kind of public service in Wales, with five ways of working to guide how the Council should work to deliver wellbeing outcomes for people. The following is a summary to show how the five ways of working to achieve the well-being goals have been considered in this report:

Long term	Ensuring best use of available accommodation allowing Citizens to live safely in their own homes
Preventative	Through a person centred approach preventing an individual escalating into hospital services
Involvement	Providing individuals the choice to remain in their home ensuring they are part of the process from start to finish managed through a single point of engagement
Integration	Ensure individuals can remain within their communities providing an array of benefits including stability through the maintaining of local support networks
Collaboration	Developing a Framework Agreement for local businesses to support the DFG service. Working in partnership with Social Services to deliver the required adaptations

	necessary and appropriate to meet the needs of the disabled person.
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## 8. Financial implications

- 8.1 Financial break down of the current operation, funded from the service's revenue budget, is as follows.

	<b>2020/21 Budget £</b>
Staff Costs	137,676
Non Pay Costs	9,414
<b>Gross Expenditure</b>	<b>147,090</b>
Admin Fee Income	-81,800
<b>Net Expenditure Budget</b>	<b>65,290</b>

- 8.2 Underspends for 2019/20 were utilised in part to employ a temporary grant support officer and fund the MOU with Neath Port Talbot Council for surveying support.
- 8.3 The table below outlines the cost of replacing the external agent role with an in-house service:

	<b>2020/21 Budget £</b>
Staff Costs	269,694
Non pay budget (extra travel costs anticipated)	12,414
<b>Gross Expenditure</b>	<b>282,108</b>
Admin Fee Income	-81,800
<b>Net Expenditure</b>	<b>200,308</b>
Existing Net Expenditure Budget	65,290
<b>Additional Cost of Proposed Structure</b>	<b>135,018</b>
Offset by Existing Annual Agents Fees	-139,000
<b>Savings from New Service Model</b>	<b>3,982</b>

- 8.4 The additional annual costs of the enhanced team that will support the internalisation is anticipated to be £135,018 (based on 2020/21 costs) which will need to be met from the DFG Capital budget annually. This additional annual capital recharge of £135,018 would be met from the capital funding previously used to cover the agency fee and is below the historic costs (£139,000) levied by external agents as outlined in paragraph 3.6.
- 8.5 The Collaboration Agreement with NPT will require a fee per case of 15%, which will be paid out of the DFG capital budget. However, as internal capacity for the DFG service increases through the recruitment of staff, the support

provided by NPT will reduce alongside the fees on a pro rata basis. The table below is an illustrative example of the potential costs and demonstrates that if all DFGs were carried out by NPT for a financial year their fees based on the average cost of a DFG would not exceed £139k per annum.

<b>Average Number of DFG Per Annum</b>	<b>Average cost of DFG</b>	<b>15%</b>	<b>Total Fees Per Annum</b>
<b>77</b>	<b>£12,000</b>	<b>£1,800</b>	<b>£138,600</b>

## **9. Recommendation(s)**

9.1 It is recommended that Cabinet:

- Approves the internalisation of the DFG service;
- Approves using the capital budget to support the internalisation of the DFG process;
- Approves entering into the collaboration agreement with NPT and suspends the relevant parts of the Council's contract procedure rules in respect of the requirements relating to the procurement of the DFG service which NPT shall fulfil;
- Delegates authority to the Interim Chief Officer – Finance, Performance and Change, to approve the final terms of the collaboration agreement with NPT on behalf of the Council and to arrange execution of the collaboration agreement on behalf of the Council, subject to such delegated authority being exercised in consultation with the Chief Officer - Legal, HR and Regulatory Services

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**Background documents:**

**None**