

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

22 APRIL 2021

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

#### DISABLED FACILITIES GRANT – PROGRESS REPORT AND POSITION STATEMENT

##### 1. Purpose of report

- 1.1 The purpose of this report is to update the Governance and Audit Committee on actions taken to progress improvements to the Disabled Facilities Grant (DFG) service and provide information on the position to date.

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

- 2.1 This report assists in the achievement of the following corporate well-being 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 Previous reports to Audit Committee, Cabinet and Cabinet / Corporate Management Board (CCMB) have outlined the critical need to re-shape and improve the delivery of the DFG service within Bridgend.
- 3.2 A Wales Audit Office report in 2017/18 on the Service Users Perspective questioned whether the needs and experiences of service users help inform the design and delivery of services to more closely meet their needs. The overall conclusion was that most service users were happy with the adaptations service but that the Council was not maximizing opportunities to improve the service and deliver value for money. Particular recommendations were made which have been the basis for subsequent reports and informed the actions and progress referenced throughout this report. Of particular note is a key recommendation regarding Council controls '*Council needs to be assured that it has appropriate controls in place to provide effective oversight of the adaptations process, given it is ultimately responsible for the delivery of the adaptation*'. Increasing the Council's control on the process and ensuring safeguarding issues are addressed has been the cornerstone of the new service model. Other recommendations were –

- That the service has a strategic fit to Council objectives, the 5 ways of working under the Well-being of Future Generations (Wales) Act 2015 and the Social Services and Well-Being (Wales) Act 2014;
- Evaluation of the service was strengthened;
- A clear and simple overview of grants was developed;
- Formal systems for accrediting contracts with builders was in place to ensure safeguarding;

3.3 A further audit report undertaken by the Regional Internal Audit Service in 2019/20 concluded that there was Limited Assurance in relation to the service -

Based on an assessment of the strengths and weaknesses of the areas examined, and through testing, it has been concluded that the effectiveness of the internal control environment is unsatisfactory and therefore only **limited assurance** can be placed upon the systems of internal control. This overall opinion is supported by the identification of a combination of fundamental and/or significant weaknesses where action is considered imperative to ensure that the Council is not exposed to high risks.

3.4 The report also made a number of recommendations to be taken forward –

- an information guide for applicants is produced and made available online outlining the process, timescales and the information expected of them;
- that processes are reviewed to be as efficient as possible and documented procedure notes are put in place for staff involved in the system;
- that the website differentiates between the processes for adults and children;
- that Occupational Therapists continue to work across all 3 areas to standardise and reduce the wait time;
- that the relationship with the Princess of Wales hospital continues to be strengthened;
- that the team continues to ensure it has adequate staffing to process applications;
- that a review of the Agent provision is undertaken in line with Procurement guidance and only up to date accurate details, which comply with Council processes, are sent to applicants.

3.5 Previous reports to the Governance and Audit Committee in November 2020 outlined the steps that had been taken up to that date to respond to the numerous points of failure that had been identified in the system and the proposals for a fundamental change in the delivery service model. A further report on 19<sup>th</sup> January 2021 to Cabinet outlined the next steps in achieving change. The impetus was to ensure that the Council met its governance responsibilities, remove outdated processes and to provide a citizen centred approach to applicants. The key components of this change were to –

3.5.1 adopt a new model of in-house service delivery and establish a pilot project that will internalise the DFG service to include all the functions, some of which had previously been undertaken by an 'Agent'. 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. 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.

3.5.2 enter into a Collaboration Agreement with Neath Port Talbot County Borough Council (NPT) to provide support while the new model, policies and processes are established.

3.5.3 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.

3.5.4 NPT will provide the necessary capacity while the pilot for internalisation is being initiated and recruitment takes place. 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 investigation and creation of a Digital Platform to create a streamlined referral and engagement process supporting the applicant through the lifecycle of their DFG, and a Framework Agreement of contractors who can carry out the works required under the DFG applications.

3.6 A report was presented to Cabinet on 19<sup>th</sup> January 2021, outlining proposals, and Cabinet approved -

- the internalisation of the DFG service;
- the use of the funding previously used to pay for agents' fees from within the capital budget to support the internalisation of the DFG process;
- the entering into the collaboration agreement with NPT and suspending the relevant parts of the Council's contract procedure rules (CPRs) in respect of the requirements relating to the procurement of the DFG service which NPT shall fulfil;
- delegation of 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.

3.7 This report provides an update on the progress made on these key components of change.

#### **4. Current situation/proposal**

4.1 Progress on the Cabinet's approved actions is as follows -

4.1.1 The internalization of the DFG service approved by Cabinet has brought the agency role in-house from the 1<sup>st</sup> April 2021. This ensures that there is end to end responsibility for each application. Engagement has taken place with all external agents to inform them of this change and detailed discussions have taken place with Care and Repair Bridgend (C+R) at a political and senior management level to outline these proposals at an early stage to help mitigate financial and organisational impact. C+R deliver services outside of the DFG remit and in line with its broad support for the third sector the Council will continue to engage with the organization in these other areas of work.

4.1.2 The funding previously used to pay for agents' fees from within the capital budget will support this internalisation by being reallocated to staff costs. 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, in line with proper accounting treatment. During the recruitment phase and the development of the in-house model, a collaboration arrangement will be established with NPT Council via a Collaboration Agreement.

4.1.3 The Collaboration Agreement is drafted and is currently being negotiated with NPT. The Collaboration Agreement shall outline the roles and responsibilities of both parties in delivering a DFG and will be in place for a period of 2 years. The start date is to be agreed. Weekly meetings shall take place between the two local authorities to oversee operational matters and develop joint processes to ensure that the processing of DFG applications will be smooth which is especially pertinent during this Covid-19 period and the current restrictions.

4.1.4 The approval and execution of the Collaboration Agreement shall be dealt with under Delegated Authority as outlined above in section 3.6

4.2 In parallel to the activity outlined above are the actions that respond to the recommendations of the Wales Audit Office report referred to in section 3.2 and Internal Audit Report referred to at sections 3.3 and 3.4 above. These actions meet Council objectives at section 2.1 above and support the 5 ways of working under the Well-being Future Generations (Wales) Act 2015 and the Social Services and Well-Being (Wales) Act 2014.

4.3 A project team is being established which will be responsible for the development, implementation and monitoring of the pilot. Discussions are currently taking place with colleagues from Social Services to strengthen the role of the Social Services

Occupational Therapist service and its role in children's cases and initiating adult DFG referrals to the housing team. This will ensure that medium and large DFG works are processed in a standardised and consistent manner across the Council and will ensure the pathway to a DFG and related Social Services support is clear.

- 4.4 To ensure compliance with Council processes and procurement, a Framework Agreement is being developed under which contractors shall be appointed to carry out the works on DFG applications in line with the CPRs.
- 4.5 The steps being put in place to streamline the service and the collaborative working with NPT will allow the Council to develop new processes and procedures. Monitoring, review and evaluation processes will be established to ensure the Council has appropriate controls in place.
- 4.6 As part of this process, information leaflets and updated web site information is being developed to ensure that applicants have clear information and understand the differences between a child's and adult's application.
- 4.7 Performance improvement
- 4.8 The proposals are a significant change to the current operating system, but have been developed in response to on-going challenge and criticism in relation to poor performance. Information below outlines performance since the 2016/17 financial year

		2016-17	2017-18	2018-19
<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

- 4.9 The latest full data set available for 2018/19 shows the Wales average of 207 days and Bridgend with an average of 291 days. Bridgend has not been able to meet the Wales average for 2018/19.
- 4.10 The aspiration for the internalisation of the DFG service is one of continuous improvement and targets have been set to reflect the foundational nature in developing a new service model at this time, as well as reflect the scale of the change being undertaken. During this period the Collaboration Agreement shall commit both authorities to on-going reporting and monitoring and 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 the outcome baselines that will be used to measure the success of the pilot during the course of the two year period:
  - Year 1 target - is a 51 day reduction on the 2018/19 average; a 42 day reduction in 2017/18 average; and a 2 day reduction on the 2016/17 average.

- Year 2 target - has been set to bring Bridgend closer to the Wales average, and to reflect the benefits that a collaborative process is expected to bring.

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

- 4.11 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. Once the new model is firmly established new ambitious targets will be set at that time.
- 4.12 The report to Cabinet on 19<sup>th</sup> January 2021 outlined the potential risks with regards to the internalisation and move to a new operating model which could mean that the Council is unable to achieve the aspirational targets outlined above in paragraph 4.9. The success of the proposal is dependent upon a number of factors including the ability to recruit staff, which could affect the pilot project timeline, and intended transition of delivery from NPT; any delays in the new Framework Agreement or entering into the Collaboration Agreement with NPT will also have an impact. Additionally the impact of Covid-19 on contractors' ability to deliver adaptations could affect project timelines.
- 4.13 The risks identified above and the significant change being made to the delivery of the service are acknowledged and all actions will be taken in a measured and considered manner to chart progress and identify and resolve any issues that might arise.
- 4.14 The benefits of moving to the new operating model are outlined below. The new model will be more responsive, accountable and compliant. For example:
- 4.14.1 The Council will be able to engage directly with contractors through a newly established Framework Agreement enabling better safeguarding and quality control processes.
- 4.14.2 The Council will have a direct relationship with the contractor for each DFG application and will be able to programme works more effectively and respond to queries and complaints sooner.
- 4.14.3 The internalisation of the DFG service provides the Council with end to end ownership of a DFG application from start to finish. This will ensure that quality and delivery standards are key cornerstones of the service.
- 4.14.4 There would be a clear simple process for the applicant.

4.14.5 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.

4.14.6 Reduction in the average number of calendar days taken to deliver a Disabled Facilities Grant, which is measured by the national indicator PAM/015. DFGs vary in size, type and complexity and this indicator measures performance across the full range of jobs undertaken. The early categorisation of works into medium and large adaptations will allow targeted action to be taken, allowing the delivery time for some adaptations eg stairlifts and bathroom conversions to be reduced.

4.14.7 Ownership of the DFG service end to end provides the Council with 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 of contractors for 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. Entering into a Collaboration Agreement with NPT
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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 arrangement with NPT to provide 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



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 DFGs 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

9.1 It is recommended that the Committee:-

- Note progress to date to improve the DFG service and the current position.

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April 2021

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**Background documents:** None