



Report To: Leader and Cabinet

10 September 2015

Lead Officer: Director of Housing

CAMBRIDGESHIRE HOME IMPROVEMENT AGENCY

Purpose

1. To seek approval from Cabinet for the continuation of the Cambridgeshire Home Improvement Agency (Cambs HIA) and to consider the extension of the shared service to include East Cambridgeshire District Council.
2. This is not a key decision.

Recommendations

3. It is recommended that Cabinet approves:
 - a) the renewal of the shared service agreement for Cambs HIA for three years to cover the period 2016/17 to 2018/19.
 - b) In principle, the extension of the service to cover East Cambridgeshire District Council from April 2016. This will be subject to approval by East Cambridgeshire District Council to join the partnership.

Reasons for Recommendations

4. The current Cambs HIA shared service has reduced operational costs, provided increased service resilience and has improved the consistency and quality of service delivery. There is no evidence to indicate that outsourcing the work will improve upon current performance and all the benefits would be lost if the service was returned in house.
5. The current agreement terminates at the end of March 2016 unless it is extended.
6. The inclusion of East Cambridgeshire DC will not impact negatively upon the quality of service delivery and will improve the overall financial performance.

Background

7. Cambridgeshire Home Improvement Agency (Cambs HIA) was set up as a shared service in 2012 between Cambridge City Council, South Cambridgeshire DC and Huntingdonshire DC.
8. Cambs HIA enables the Council to meet statutory duties under the Housing Grants, Construction and Regeneration Act 1996 to award Disabled Facilities Grants (DFG) assisting vulnerable people carry out essential adaptations subject to qualifying conditions. The HIA service also assists people to maintain, repair and improve their homes to make them safe and suitable. Discretionary Repairs Assistance Grants or

loans help owner occupiers and private tenants with repairing responsibility to carry out essential repairs to their homes

9. Cambs HIA works with people of all ages, who may be living with complex conditions or are terminally ill. The service also offers a wide range of information and has an extensive network of contacts about useful services.
10. The main client group is people who own or privately rent their homes. Council tenants of Cambridge City Council and South Cambridgeshire DC have adaptations provided as part of their landlord service.

Considerations

11. The shared service arrangement has been successful for the Council as the number of people benefiting from the service has been maintained and the quality of the service has improved and has become more consistent. At the same time the General Fund no longer subsidises the revenue cost of the service. This represents a saving of approximately £40,000 a year.
12. Key performance data is shown in the Appendix but headline figures for 2014/15 for South Cambridgeshire DC are;
 - Number of enquiries - 309
 - Number of Disabled Facilities Grants completed – 62 (£641k)
 - Number of Discretionary Repairs Assistance Grants completed – 23 (£60k)
13. HIAs are seen as high value/low cost services that contribute significantly to the health and social care prevention agenda. The County Council and the local agencies therefore support Cambs HIA with considerable revenue funding. The continuation of the service and its extension of the service across East Cambs DC will be welcomed by the County and the local health agencies as well as offering a consistency of service to the local ageing population and enhance the robustness of the service to the benefit of all partners.
14. The current shared service agreement terminates at the end of March 2016. The City Council is the lead authority for staff management and has already approved the recommendation to extend the Cambs HIA for a further three years as well as allow East Cambridgeshire DC to join the shared service. The same approvals are being sought from Huntingdonshire DC. East Cambridgeshire DC is to consider its position only when all three existing partners have given their approval.

Options

15. Each current partner can terminate its involvement in the shared service agreement or agree to renew the agreement. **Appendix B** of the main Appendix sets out in a table the main pros and cons of each option.
16. For South Cambridgeshire all of the benefits of the shared service would be lost if the service were to be brought back in house. Whilst the performance of the shared service continues to improve there is no rationale for seeking to outsource the work.

17. At the same time as renewing the agreement there is the opportunity to accept East Cambs DC as a new partner. The **Appendix** provides a Business Case for Cambs HIA to be extended to cover East Cambs DC.

Implications

18. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implication have been considered:

Financial

19. The operation of Cambs HIA is funded through a combination of fees charged to the capital adaptation and repair works that it project manages and revenue funding from the County Council and CCG.
20. The following is a summary of the budget for Cambs HIA for 2015/16

Income	
Fees	£310,000
County Council	£186,650
CCG	£47,280
Total	£543,930
Expenditure	£534,910
Projected Surplus	£9,020

21. Based on current year data, the table below demonstrates that if East Cambs become a partner this will facilitate a restructure that would result in an improved financial position.

Financial impact of ECDC joining Cambs HIA 2015/16

Scenario	Income total £	Expend Total £	(Surplus)/ Deficit £
CHIA -3 partners	543,930	534,910	(9,020)
CHIA – 4 partners on joining	688,000	679,036	(8,964)
CHIA – 4 partners with restructure	688,000	661,676	(26,324)

22. Set up costs of up to £18,786 to facilitate the extension of the service to East Cambs DC will be met by them. This includes ICT equipment at the East Cambs DC satellite office plus office facilities and equipment for the extended operation. Liability for costs related to staff who do not transfer to Cambs HIA are not included in this figure and would also be the responsibility of East Cambs DC.

Legal

23. There is an existing formal legal agreement underpinning the shared service between the three partners. Any reviews of this agreement or an extension of this agreement to incorporate East Cambridgeshire DC will be undertaken by appropriate members of the council's legal teams.

Staffing

24. Three officers employed by East Cambs DC would be the subject of TUPE transfer to the City Council if approval is given to proceed with the extension of the service to East Cambs.

Risk Management

25. There are no significant risks associated with continuing the existing shared service. There are two key areas of risk associated with expanding the partnership to include East Cambridgeshire DC:
- a) The risk that the expansion could lead to a worsening financial profile. The financial profile has been modelled and is reported in the finance section above. This shows that the inclusion of East Cambridgeshire is likely to have an overall positive effect on the financial profile.
 - b) The risk that the service quality gains will be set back by the need to absorb a new district. There is a risk assessment included within the main Appendix as **Appendix C**. Much of the ground work to establish a shared service is now in place and the addition of three members of staff will not represent the same level of challenge that the partners initially faced when bringing three teams together under a new system.

Equality and Diversity

26. DFGs and Discretionary Repairs Assistance Grants are means tested grants by statute and therefore are available to those on lower incomes.
27. An EQIA was completed when the shared service was set up and the essence of the service and its core customer base has not changed.

Climate Change

28. Cambs HIA offers advice to its customers on the availability of other grants and loans available to improve the energy efficiency and warmth of their homes.

Consultation responses (including from the Youth Council)

29. Consultation on this proposal has mainly been with key stakeholders i.e. senior officers representing the partner councils, East Cambridgeshire DC and the County Council.

Effect on Strategic Aims

Aim 3 - Wellbeing

30. Ensure that South Cambridgeshire continues to offer an outstanding quality of life for our residents.

Background Papers

None

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