



To: Executive Councillor for Housing
Report by: Alan Carter
Relevant scrutiny committee: Housing 8 March 2016
Scrutiny
Wards affected: All

Cambs Home Improvement Agency Fees

Non Key Decision

1. Executive summary

This report request approval to increase fees charged by Cambs Home Improvement Agency (HIA) with additional income used to fund additional technical capacity required in respect of changing health and safety requirements.

2. Recommendations

The Executive Councillor is recommended:

Approve that fees charged by Cambs HIA to project manage Disabled Facilities Grant and Repair Assistance funded adaptations and repairs increase from 10% to 12% of the cost of the works.

3. Background

Cambs HIA is the shared home improvement agency service with South Cambridgeshire and Huntingdonshire District Councils. Camb HIA has been in existence since April 2012. The aim of the service is to support vulnerable people (many older people) to remain in their home by carrying out adaptations and repairs. Prior to the establishment of Cambs HIA, the shared service was subsidised by the General Fund. Cambs HIA has delivered a balance budget over the last two years without the need for subsidy. At the same time quantity of work has been sustained and the quality of the service improved. The service is more resilient in terms of staffing and therefore can be labelled as a successful exercise.

Approximately 58% of Cambs HIA annual operational income is from fees charged to project manage adaptation and repairs works. The balance of funding is from grants from the health and social care sectors.

To-date the service has been operating with an inconsistent fee arrangement with the City Council and Huntingdonshire District Council setting fee of 10% of the cost of works and South Cambridgeshire District Council agreeing a 12% fee.

As well as aligning the fee arrangements, there are operational reasons why it would be advantageous to increase the fee for works in the city to 12%. Huntingdonshire District Council has agreed to increase their fees.

Although Cambs HIA has been sustaining a balanced budget there is no 'working revenue' or revenue contingency to accommodate any in year unexpected costs or to fund any service development. Over the last twelve months there have been two events that have put pressure on the technical capacity of the service (ie the services of four surveyors). New Construction Design and Management (CDM) regulations came into force from April 2015 in respect of the health and safety obligations of Cambs HIA when managing adaptation and repair works. Also during the year Cambs HIA has refreshed and aligned its agency 'contract' with its customers and has put in new safeguards to mitigate potential risks when contractors are working in customers' homes. As a consequence the surveyors are carrying out more site visits. This however means that they can manage less fee earning work. The increase in fee will allow an increase in technical capacity to both maintain the fee earning capacity and to allow the quality of the service in respect of essential health and safety to be delivered.

4. Implications

(a) Financial Implications

An increase in the fee from 10% to 12% would result in the following increase in annual income based on current rate of activity.

City Council	£12,600
Huntingdonshire District Council	£30,000
Total	£42,600

The table provides an indication of the fees charged elsewhere by home improvement agencies (source: Central Bedfordshire Council, Sept 2013 and up-date from Foundations – the national monitoring agency for home improvement agencies).

Organisation	Fee level	Fees	Comments
---------------------	------------------	-------------	-----------------

	2013\14	2015\16	
North Hertfordshire	10%		Herts exploring county led shared service options
East Herts	HIA 12.5% Building control 10%		Herts exploring county led shared service options
North Herts	£300 agent fee plus 12%		Herts exploring county led shared service options
South Northamptonshire	12.5%		
Peterborough C&R	15%	15%	
East Cambs C&R Services	10%	10%	
South Cambs	12%	12%	
City	10%	10%	
Huntingdonshire	10%	10%	
Harrow		16.5%	
Brent		16.5%	
Corby Borough Council	No longer charge fees		
South Bucks Council	No longer charge fees		
Kettering Borough Council	No fee for eligible DFG applicants		
Lincolnshire	11 to 13%		
Norwich	18%		
Kings Lynn and West Norfolk	12.5% non-complex; 15% complex		

(b) Staffing Implications

The following are options for increasing the surveyor capacity should additional funding be made available by increasing fees.

- Increase hours of part-time Technical Officer on a permanent basis (30 hours to 37 hours) – approx. £8,220 per annum
- Create one Senior Surveyor from existing compliment of surveyors - approx. £5,030 per annum

- Employ a Trainee Surveyor (employing a Clerk of Works instead is estimated to cost £31,320) - approx. £38,050 per annum
- Estimated increase in premises, travel, professional subscriptions and mobile phone costs for additional staff member - approx. £6,160 per annum

Should funding be available by increasing fees, a business case to increase staff capacity would need to be completed and approved in line with policy.

(c) **Equality and Poverty Implications**

Not applicable.

(d) **Environmental Implications**

Not applicable.

(e) **Procurement**

Not applicable.

(f) **Consultation and communication**

Not applicable.

(g) **Community Safety**

Not applicable.

5. Background papers

None.

6. Appendices

None.

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name: Alan Carter
Author's Phone Number: 01223 457948

Author's Email:

Alan.carter@cambridge.gov.uk