



To: Executive Councillor for Housing: Cllr Catherine Smart
Report by: Alan Carter, Head of Strategic Housing
Relevant scrutiny committee: Community Services Scrutiny Committee 30/6/2011
Wards affected: All Wards

SHARED HOME IMPROVEMENT AGENCY Key Decision

1. Executive summary

This report recommends the establishment of a shared home improvement agency with South Cambridgeshire District Council and Huntingdonshire District Council from April 2012. The City Council would be the lead authority for the shared service.

The shared service is proposed to offer the best opportunity to sustain the current levels of service for city residents giving value for money initially and in the future.

2. Recommendations

The Executive Councillor is recommended:

1. To approve the implementation of a shared home improvement agency with South Cambridgeshire District Council and Huntingdonshire District Council.
2. To approve delegated authority to the Director of Customer and Community Services, in consultation with the Director of Resources and the Head of Legal Services, to agree a legal protocol to govern the shared service.

3. Background

The March 2011 Community Services Scrutiny Committee considered a report on the proposal to set up a shared home improvement agency (HIA) with South Cambridgeshire District Council (SCDC) and Huntingdonshire District Council (HDC).

Home Aid is the City Council's version of an HIA. HIAs are highly valued services that contribute significantly to housing, care and health policy in the context of our ageing population. Their core activity is to support older people and other vulnerable people to carry out adaptations and repairs to their homes. The service is provided for people living in the private sector. (City Homes has its own service).

In 2010.12 Home Aid responded to 292 enquiries and supported the completion of 95 adaptations and repairs.

In March, the Executive Councillor agreed with the recommendation to Committee that in principle a shared service is established subject to

- staff consultation on the restructure
- the development of a legal protocol to govern the shared service
- the development of an agreed cost sharing mechanism between the district authorities
- there being no additional costs to the Council and no reduction in the quality of the service
- a final report being brought back to the Committee for scrutiny and approval in the next Committee cycle.

The March Committee report explained that a shared service offers the best opportunity to sustain the current levels of service across the districts at a time of reducing budgets. The model proposed is for a single staff team to be primarily based at SCDC offices in Cambourne administered and line managed by the City Council. The target date to establish the shared service is April 2012.

4. Implications :-

(a) Financial

Revenue funding for local HIAs is provided by the districts councils, Supporting People, the County Adult Care Services and the Primary Care Trust.

The City Council is budgeting to subsidise Home Aid by £100,865 in 2011.12.

Procurement rules require County and health colleagues to consider tendering the services. Procurement advice has indicated that it will not be necessary to tender the HIA services for the City, South Cambs and Hunts if the partner authorities agree to implement a joint service.

Irrespective of this all of the local authority partners are, of course, under severe pressure to reduce costs. Financial modelling led by the City Council's Housing Finance and Business Manager has indicated that a shared service could reduce the aggregate level of subsidy required from the districts by £79,546 per annum based on budgeted costs for 2011.12.

Various cost sharing mechanisms have been considered based on current levels of subsidy; current activity rates measured by jobs completed; level of capital investment; and level of fee income. These mechanisms indicate a potential saving to the Council of between £25,000 and £40,000. A cost sharing mechanism based on fee income is currently favoured by the respective officers and based on 2011.12 budgets this would generate a saving for the Council at the upper end of the range. The level of capital investment and fee income is, in effect, a proxy for the level of activity supported by each district in its area.

There will be various 'start up' costs associated with moving to a shared service, notably, the potential cost of staff redundancies when the staff structure is reviewed. It has been agreed in principle that should any of three Managers be made redundant, the redundancy costs that result will be met by the current employer. This agreement has been reached in view of the long service of each and the relatively high cost of any redundancy and the difficulty of managing this within the cost sharing mechanism. All other potential redundancies are likely to be at a more marginal cost, as will other start up costs, and can be managed within the cost sharing mechanism.

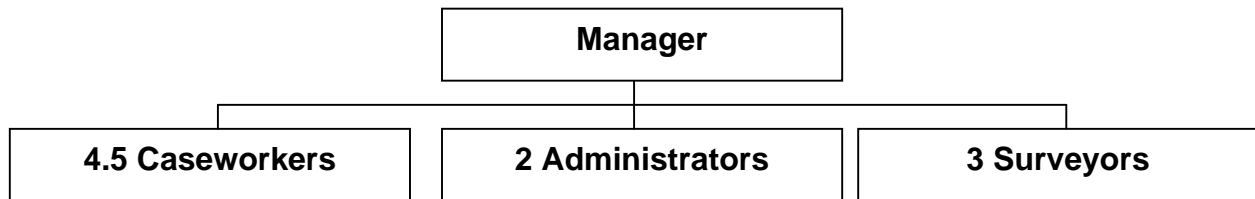
Any 'start up' costs that will directly impact on the City Council will be the subject of a bid to the Council's Cost Efficiency Fund.

(b) Staffing

At a time of reducing budgets, a major reason for joining forces with SCDC and HDC is the opportunity to sustain a level of operation that would otherwise become increasingly fragile.

Following discussion between the respective Heads of Service and Accountants from the district councils a preferred staff structure has emerged that would reduce the number of Managers from three to one and would reduce the number of administrators in the team by one.

The number of frontline caseworkers and surveyors would be retained The preferred new structure would be as follows



Consensus has also emerged between the officers that the service would be best located at South Cambs DC offices in Cambourne. Cambourne obviously offers the best central geographical location and there is capacity at South Cambs offices that are available at marginal cost. Although this will be the main office of the shared service it is proposed that some ‘hot desk’ opportunities will be maintained in Cambridge and Huntingdon.

Officers have agreed that the City Council should line manage and administer the shared service. Advice from Human Resources has suggested that staff should initially transfer to the City Council applying TUPE regulations (say in January 2012) prior to any restructure to be implemented in April 2012.

Home Aid staff have been aware of the various reviews of the operation and funding of HIAs across the County for some years. Staff have been provided information on a one-to-one basis and through team meetings. The Head of Service recently issued an informal consultation paper to seek views to inform this report and responses are summarised in Appendix 2.

It will be necessary to conduct formal staff consultation in advance of any restructure that may result from a shared service.

(c) Legal and Governance

Once the cost sharing mechanism is finalised, it is proposed to draw up the legal document to govern the relationship between the authorities.

It is proposed that an officer management committee will meet at least quarterly to provide ongoing scrutiny and governance of the shared service. This management committee will be responsible for all of the key elements of operational scrutiny and oversight; budget setting and management, financial controls, performance management (quality of service), setting of objectives and strategy design and implementation. It will also cover risk management. The terms of reference for this steering group will be of

fundamental importance and will embody the principles of transparency and accountability.

The legal document will include

- Membership of the management committee
- Terms of reference of the management committee
- Length of agreement (potentially 3 to 5 years)
- The agreed cost sharing mechanism
- Payment of start-up costs
- Notice required by either party (potentially 6 months ending at the end of a financial year)
- Exit strategy and treatment of wind up costs

The respective Heads of Service of the authorities have been meeting every month to evolve the detail behind the shared service involving finance, human resource and legal officers as appropriate. Respective Human Resource leads have met as have finance officers. If all parties continue to agree to pursue the shared service, it is planned for the Heads of Service meeting to continue as the project implementation group.

(c) Equal Opportunities

An Equalities Assessment has been undertaken by HDC on behalf of the project group and the draft is currently being reviewed.

(d) Environmental

It is proposed to explore the opportunity for 'home working' for staff once the new team is established.

(e) Community Safety

There are no Community Safety implications from this report.

5. Background papers

These background papers were used in the preparation of this report:

Cambridgeshire Supporting People Review of HIA Agency Services, October 2008

Review of HIA Services in Cambridgeshire, November 2009, CEL Transform

Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society, Feb 2008, Communities and Local Government

Shared Service Option Appraisal – Cambridge City, South Cambs and Huntingdonshire HIAs, December 2010

Draft Equalities Assessment

6. Appendices

Appendix 1 – Staff Responses to Head of Service Consultation Paper

7. Inspection of papers

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

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Appendix 1 – Staff Responses to Head of Service Consultation Paper

A written response has been received from four Home Aid staff. In summary questions raised and answers provided are as follows;

Q. Concern that an office location in Cambourne would be less efficient when working on cases in Cambridge.

A. The preferred option discussed between the respective Heads of Service for the three authorities is for a service that has its primary office base as Cambourne but that offers 'hot-desk' type workstations in Cambridge and Huntingdon. The opportunity for increased 'home-working' would also be explored. Working practices would inevitably need to change but there is no reason why a Caseworker who had a caseload in Cambridge could not plan to undertake visits in Cambridge on one day and base themselves from the Cambridge office on that day.

Q. Will shared service result in increased carbon emissions as staff will need to travel more?

A. There is no reason why the total number of miles travelled will increase. Indeed there may be some opportunities to manage travel by car more efficiently. For example, a new case in Milton may be more efficiently picked up by a Caseworker whose main caseload is Cambridge residents.

Q. Comments on the lack of car parking at the Cambourne offices.

A. There is significant free staff car parking at the Cambourne offices.

Q. Will pool cars be available at Cambourne? If miles travelled increase above the current threshold, will an Essential Car User allowance be offered?

A. If a shared service progresses as proposed all of the staff will be City Council employees. Therefore the prevailing City Council policies will apply, except that staff currently in the employment of South Cambs and Hunts DC transferring to the City Council under TUPE will have certain rights protected. The detail of this has yet to be determined.

Q. Will a move to Cambourne require a change of contract and any compensation?

A. The formal process to achieve a shared service as set out in the report will have two stages. First, a TUPE would be effected and secondly any restructure would be proposed. Both of these stages would be the subject of further staff consultation.

Q. If any restructure results in redundancies will the City Council's policy in respect of selection and redundancy apply?

A. As above, if a shared service progresses as proposed all of the staff will be City Council employees. Therefore the prevailing City Council policies will apply, except that staff currently in the employment of South Cambs and Hunts DC transferring to the City Council under TUPE will have certain rights protected. The detail of this has yet to be determined.

Note – There was also some recognition in comments made of the potential benefits for more joint procurement ventures under a shared service. There were also one or two questions of operational detail such as, will Computer Aided Design be set up on home computers?

All staff responding have been sent a written reply by the Head of Service.