

ABERDEEN CITY COUNCIL

COMMITTEE	Housing & Environment
DATE	16 th February 2010
DIRECTOR	Pete Leonard
TITLE OF REPORT	Provision of a Care & Repair Service for 2010/11
REPORT NUMBER:	

1. PURPOSE OF REPORT

The purpose of this report is to advise Committee on the outcome of discussions with Castlehill Housing Association in relation to the provision of the Care & Repair Service (incorporating Aberdeen Affordable Warmth) within Aberdeen City for the financial year 2010/2011. Committee approval is sought to proceed with securing the Service for that year by entering into a new Service Level Agreement, taking into account the changes in specification as detailed within this report.

2. RECOMMENDATION(S)

It is recommended that Committee authorise the Director of Housing and Environment to

- Enter into a new Service Level agreement with Castlehill Housing Association for the delivery of the Aberdeen Affordable Warmth service for the period from 1st April 2010 until 31st March 2011, inclusive,
- Enter into a new Service Level agreement with Castlehill Housing Association for the delivery of the Aberdeen Care & Repair service for the period from 1st April 2010 until 31st March 2011, inclusive, and all as per option 1 as detailed within this report.

3. FINANCIAL IMPLICATIONS

3.1 The Aberdeen Care & Repair Service, which includes the Aberdeen Affordable Warmth Service, is currently funded from the ringfenced Private Sector Housing Grant, (PSHG) at a cost of £338,899 in the current financial year 2009/2010. PSHG will no longer be received as ringfenced grant but will continue to be included as a heading within the General fund in 2010/11, 2011/12 and 2012/13.

3.2 The Scottish Government has indicated that the £2.792m PSHG funding will come to the Council with 40% Revenue and 60% Capital, (see table below). This in effect will provide additional £1.117m revenue funding for the year 2010/11. The Finance & Resources committee on 28th January 2010 had before it a report seeking approval to spend this additional funding on current PSHG revenue commitments. This will cover the £370,303 revenue costs approved by Council in December as part of the budget process for 2010/11 plus an additional £429,300 previously removed from the revenue budget after being identified as a cost pressure.

PSHG budget allocation from Scottish Government

	Revenue £m	Capital £m	Total funding £m
2010 – 11	1.117	1.675	2.792
2011 – 12	1.118	1.677	2.795
2012 – 13	1.120	1.679	2.799
2013 – 14	1.121	1.682	2.803
Total	£4.476m	£6.713m	£11.189m

Care & Repair funding is regarded as Revenue funding and as such will be funded out of the £1.117m PSHG revenue allocation.

The allocation of £1.117m for revenue will not only allow for the provision of services totalling £492,300, but will also allow for the funding of the £307,303 approved in the budget consultation in December 2009 to cover: PSHU staff costs, Occupational Therapist and Minor Adaptations. Thus reducing the cost pressure on the General Revenue fund by £307,303.

3.3 Advice from the City Solicitor

Members also need to bear in mind that legal advice has highlighted that there are risks in extending the existing SLA for Care and Repair without completing a tender exercise – these risks are non-compliance with the Public (Contracts) Scotland Regulations 2006 and the Council's wider Treaty obligations to award contracts in an open and transparent manner, and there may also be State Aid implications.

This would mean that, after 2010/11, it would not be advisable to simply continue to extend the SLA for the Care and Repair Service –the contract would have to be tendered. As previously reported a tender exercise was carried out in 2009 but no contract was awarded.

4. SERVICE & COMMUNITY IMPACT

The Care & Repair service is directed to assisting homeowners who are either older, or have a disability/long term illness to remain living in the community which links to the Community Plan, Homes, key aim, "To improve the quality of housing and environment for individuals and the community". Discontinuing the service would obviously have a negative impact on that aim.

It also relates to "Vibrant, Dynamic and Forward Looking" - Health and Care - The care and support of more vulnerable members of our community is a key responsibility of Aberdeen City Council and in particular to; 7. Adopt and implement strategies to support independent living for people with special needs; 8. Make early decisions on the funding of voluntary organisations providing care services and move towards long-term Contracts; 11. Continue to support and develop the Care and Repair Service; 12. Support income maximisation measures to help disabled people and carers claim all the benefits to which they are entitled

5. OTHER IMPLICATIONS

The Scottish Government view a Care & Repair Service as one of the priority services for assisting homeowners who are older or have a disability or long term illness to remain living in the community, and as such makes specific mention of the service within the guidance volumes for determining how Scheme of Assistance should be delivered. However, a Care & Repair Service is not mandatory and it is left to the discretion of individual local authorities to decide whether or not such a Service is provided in their area.

6. REPORT

6.1 Background

The Aberdeen Care & Repair service was launched by Shelter (Scotland) in 1987 and fully funded by them until 1993 when responsibility for funding was jointly taken over by Aberdeen District Council and Communities Scotland. The introduction of PSHG in April 2003 saw ACC take over full funding responsibility via the PSHG budget. An allowance has always been included within this budget for Care & Repair.

6.2 Current Service Specification

The Service assists older homeowners (60+) and those with a disability or long term illness, to repair, maintain and adapt their homes to allow them to remain living within the community. This Service currently consists of;

- a property repair and maintenance service;
- advice service;
- a small repairs service, and
- Aberdeen Affordable Warmth.

In addition to the above, the Care & Repair service manages the “Aberdeen Care & Repair Group” charitable fund, which was launched in 1987 to provide funding assistance for the client group where they are unable to finance necessary works themselves. This work can raise circa £50,000 per annum.

The service has expanded from 1.5 FTE's to the current 10 FTE's, which includes 3.5 tradesmen to deliver the Small Repairs Service.

- Current service value – total cost £338,000
excluding Affordable Warmth £280,000

6.3 Housing and Environment Committee decision -19th November 2009

The above committee in response to a report placed before it on the outcomes of the tendering exercise undertaken to procure the Care & Repair service for 2010/11 to 2012/13; agreed: -

- not to award a contract following the recent procurement exercise on the basis that no acceptable tender was received; and

- to the extension of the existing Service Level Agreement with Castlehill Housing Association for a one year period from 1st April 2010 until 31st March 2011 with a reduced service;
- Approves the reduction of the Service within the next financial year 2010/2011 with a view to the Service ceasing in its current format as of 1st April 2011;
- Agrees that officers can continue to assess the various options for the future delivery of a Care & Repair Service, in conjunction with colleagues from the Central Procurement Unit and the City Solicitor.
- Agrees to officers providing a further update to the 11th January 2010 meeting of this committee on cost to provide the reduced service for the financial year 2010/11.

The reduced service mentioned in recommendation 2 was to cease funding to the Handyman service and retain the core service only. This was to reduce the cost from £338,000 to £281,107, (although officers felt there was room for further savings).

6.4 Reason for recommendations in 19th November report

At the time of writing the November report officers were acting on the latest information available to them from the Scottish Government, whereby the advice was that the former £2.79m ringfenced PSHG monies would be coming to the Council as Capital funding only. The result of this was that all revenue items within the PSHG budget, £1.165m, would transfer into the General revenue fund as a cost pressure. In order to reduce this pressure, all non-mandatory items were removed, or in the case of Care & Repair, reduced.

6.5 What's changed since November 2009

In late December early January the Scottish Government in response to concerns from local authorities about the additional cost pressures created by the ring fence removal, agreed to provide the former PSHG funding in a 40/60 split of revenue to capital. This has allowed authorities the option of reviewing their revenue budgets; hence a report was presented to the Finance & Resources committee on 28th January 2010 seeking approval for the PSHG budget.

6.6 Care & Repair Service provision 2010/11

The current service level agreement, (SLA) between Aberdeen City Council and Castlehill Housing Association for the provision of the Care & Repair service expires on the 31st March 2010. The options are:-

Option 1

This option retains all elements of the service, i.e. handyman, advice and assistance on repairs and maintenance, and assistance for disability improvements, but achieving a cost saving by reducing staff numbers to: -

- 2 Officers,
- 3 handymen,
- 1 part time Finance Officer,
- 1 part time admin asst.

<u>Cost</u>	
Care & Repair Service	£167,844
Aberdeen Affordable Warmth	£ 58,000

Funding requirement from PSHG **£225,844****

*** this figure is based on Castlehill recuperating £60,000 in income through recharging clients for works carried out through the handyman service. In the event that they fail to do this Castlehill will have to make good the shortfall.*

Option 2

This option removes the Handyman service but retains the current core Care & Repair service i.e. advice and assistance on repairs and maintenance and assistance for disability improvements

3 Officers,
1 admin asst.

<u>Cost</u>	
Care & Repair Service	£184,523
Aberdeen Affordable Warmth	£ 58,000

Funding requirement from PSHG **£242,523**

Note: - Although there are less staff in option 2 as opposed to option 1, the costs are higher as the handyman service attracts income by making a charge for the works carried out, see note above at option 1. If the handyman service is removed then the ability to generate income to offset costs is also removed. It also retains the existing 3 project officers as opposed to 2 officers in option 1.

Option 3

This option is the bare minimum that the service provider believes to be a viable option and at this level it will be very difficult to continue to offer the valued home based service currently provided.

2 Officers,
1 admin asst

<u>Cost</u>	
Care & Repair Service	£144,042
Aberdeen Affordable Warmth	£ 58,000

Funding requirement from PSHG **£202,042**

NB The Aberdeen Affordable Warmth Service employs one officer and one part time administration assistant.

6.7 Proposed resolution to continue the Care & Repair Service

It is recommended that Committee approves Option 1 and enter into a new SLA with Castlehill Housing Association, to continue with the reduced service for a further 12 months until the 31st March 2011.

6.8 Position for 2011 and beyond

NB 1. The recommendation contained within this report is to extend the service level agreement for 12 months up to 31st March 2011. Legal advice on this proposal has highlighted that there are risks in extending the existing SLA without completing a tender exercise, see 3.3 above. However, the Service has weighed up these risks and has concluded that these risks are outweighed by the need for a contract to be put in place in the interim period, to allow alternative options to be

fully explored or for the Service to be properly wound down. Furthermore, a competitive tendering exercise has been undertaken but proved unsuccessful as reported to the Housing and Environment Committee on 19th November 2009.

2. If the service is to cease on the 31st March 2011, officers will need to instruct Castlehill by October 2010 to wind down the service. Uncertainty in the continuation of the project may result in a reduction of the service delivery over the full year as project staffs begin to look for and take up alternative employment options, and in order to clear caseloads will mean that no new cases can be accepted after a certain point.

3. If the service is to continue beyond 31st March 2011, officers will require a committee decision by June 2010 in order to allow a tender exercise to be undertaken. Normally, this would be for a 3 year period with the option of extending for up to 2 additional years, but, due to the current budgetary situation the alternative option would be to tender for a 1 year contract with the option of extending for up to 2 additional years. While this option resolves the funding difficulties currently being experienced, it does not provide for a positive tender result, as the interest from alternative service providers will be severely limited by such uncertain terms of contract, i.e. it would take 3 months setting up, with 6 months delivery, and 3 months winding down.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

- (i) **Financial Strategy for 2010/11 –report to Finance & Resources Committee 10th December 2009;**
- (ii) **Care & Repair Tender Outcome – report to Housing and Environment Committee on 19th November 2009.**
- (iii) **Alternative Budget Savings – report to Finance & Resources**