POLICY, FINANCE AND ADMINISTRATION COMMITTEE

11th JULY 2017

REPORT OF HEAD OF REGULATORY SERVICES

PARTICPATION IN THE 'LIGHTBULB' PROJECT

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to explain progress made with regard to the 'the Lightbulb Project' for transforming practical housing support in Leicestershire and to seeks approval for the details of the Council's involvement.

2.0 RECOMMENDATIONS

It is recommended that the Committee agrees to:

(i) participate in the project from a start date of 1st October 2017; on the basis set out at paras 3.8 – 3.11 below;

(ii) delegates authority to the Head of Regulatory Services, in consultation with the Solicitor to the Council, to sign the Service Level Agreement and Memorandum of Understanding relating to the project;

(iii) Approves the additional costs of £30,000 per annum with the part year costs of £15,000 for 2017/18 being met from within existing resources.

3.0 KEY ISSUES

3.1 Members may recall that the recommendation to participate in the 'Lightbulb' project was considered by this Committee on 30th November 2017. At that meeting it was resolved that:

1) The potential benefits of service transformation and integration set out in the Lightbulb Business Case be noted.

2) The Lightbulb Service model set out in the Business Case as the future intended mechanism for delivering the housing support offer across Leicestershire, be approved.

3) The Head of Regulatory Services in consultation with the Head of Central Services be given authority to progress the practical actions set out in the Business Case to support implementation of the Lightbulb Service model within the authority and across the County no later than October 2017.

3.2 The report and related Appendix, comprising of the Business case is included as a background paper to this report but the main purpose of the project is summarised as an intention to transform practical housing support in Leicestershire . District and County Council partners have been awarded £1m of funding which will be used to look at the Lightbulb programme which will focus on prevention by reducing care home placements or demand on other social care services. A dedicated team within will act around DFG's, Warm Homes and enhance homes for the customer – these responsibilities are currently shared across several agencies including district Councils and County Council and service delivery has traditionally been difficult to navigate and fragmented. Under the new arrangements 'Lightbulb' model a team will be based in Melton. However a centralised management, performance monitoring and development 'hub', hosted by one partner authority, (Blaby DC) will ensure consistency and resilience across the County.

3.3 The key objectives of the Project are to:

- Deliver savings to the health and care economy by maximising the part housing support can play in keeping people independent in their homes; preventing or reducing care home placements or demand on other social care services, avoiding unnecessary hospital admissions/re-admissions or GP visits and facilitating hospital discharge

- Improve the customer journey; making services easier to access and navigate and ensuring the right solution is available at the right time with the right outcome

- Provide efficient, cost effective service delivery, particularly in relation to the delivery of Disabled Facilities Grants

3.4 Detailed work has been undertaken in the intervening months and the financial, resource and HR implications have been worked through. The project was grant funded through Transformation Challenge Award grant funding and implementation would take place late in 2017.

3.5 The Council had anticipated that participation in the Project following the feasibility would be 'cost neutral' and be limited to reassigning the revenue costs associated with DFG's to the project. However various factors have emerged that indicate this is not possible

3.6 This report provides update on the establishment of the arrangements and addresses associated resource and financial implications. Its essential purpose is to secure agreement to participate in the project on the basis set out below, with a start date of 1st October 2017.

3.7 It is proposed that the team dedicated to Melton would (so far as Melton Borough Council is concerned) comprise staff recruited for the specific purpose of the new operating model. This is recognised as a departure from the earlier suggested approach which anticipated the transfer of existing staff operating in the subject area. This is because the delivery team for Melton in the approved Business Case comprises:

- Housing Support Co-ordinator (new role): 1FTE
- Technical Officer: 0.4FTE
- Admin: 0.3 FTE

3.8 As described above, the project proposes to bring together the delivery of several services delivered by different agencies. Within these, only Disabled Facilities Grants are currently delivered by Melton BC. This occupies approx.. 0.2 FTE of a Senior Environmental Health Officer, the remainder of the officer's time is employed on a range of 'mainstream' Environmental Health issues. It is considered impractical to transfer this proportion of an officer as their time apportionment – both assigned to the Project and remaining with the MBC Environmental Health team – would be impractical and unviable.

3.9 The officer concerned would, instead, relinquish involvement in DFG' s and their time redeployed for mainstream EH responsibilities. This would be cost effective at present as the team currently has a number of vacancies and temporary arrangements for staffing, but in the longer term would result in an increase to the Environmental Health budget of £9,300 per annum (at 2017/18 values) arising because the opportunity to 'capitalise' part of the salary costs would be lost as the officer would no longer be perfoming a DFG delivery role.. In the current year this would apply only to the period after 1st October 2017 at a cost of £4,650 and it is anticipated that budget efficiencies within the service budget (Environmental Health - 005) are sufficient to meet this in full, or contribute a substantial proportion.

3.10 It is also proposed that the 'Lightbulb' team dedicated to Melton should be 'hosted' by Blaby DC as employer. This has been considered against the option of employment by

MBC as 'host' but is considered preferable because of the strong linkages to the 'central hub' also hosted by Blaby, and because with a single exception, all of the other District based ('Locality') teams will be similarly administered. This has particular advantages in terms of ensuring the compatibility of terms and conditions, recruitment and the ability to manage the flexibility between the Locality teams to respond to fluctuations in workload, staff vacancies etc. However it should be noted that day to day management and supervision would still be provided from MBC staff (the Environmental Health Manager) and an overview of operation and deployment is secured by positions on the Project Board and Steering Group.

3.11 Finally, it is necessary to provide an update on the financial implications of the Project. These are set out in Section 5 below and expressed for both the period of the current financial year from 1st October 2017 and 'whole year' costings for 2018/19 and years beyond.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 There is strong alignment with our priorities of improving the customer journey and enabling the vulnerable to live independently as long as they are able.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 Historically the Council has supplemented grant funding for DFGs from capital receipts at a level of £50k per annum. With the reduction in capital receipts this has become unviable. From 2017-18 Melton Borough Council will receive an allocation from the Better Care Fund through Leicestershire County Council as the administrators which is likely to fully cover the cost of mandatory adaptations in the Borough.

5.2 Capital contributions for DFG's are currently met in full from the grant provided. In 2016/17 these were sufficient to fully meet demand and alleviated the need for any capital contribution from the Council. However it should also be noted that both demand and the grant awarded is volatile and as such further requests may be submitted through the capital programme.

5.3 The overall financial contribution (based on 2017/18 values) from Melton BC towards the project is as follows:

Lightbulb Team:		
Melton Housing Support Co-Ordinator	£	32,108
Melton Tech Officer	£	11,969
Admin (0.3 FTE)	£	9,023
	£	53,100

Central Hub	Total	MBC (9%)		
Lightbulb Service Manager	£ 55,501	£ 4,995.09		
Senior Housing Support Co-Ordinator	£ 39,894	£ 3,590.46		
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Admin Support	£ 22,560	£ 2,030.40		
Other employee costs e.g mobile phones	£ 3,000	£ 270.00		
			£	14,476
TOTAL			£	67,576

The annual cost would amount to £ 67,576 and for the period of 2017/18 from 1st October 2017 the overall cost is £33,788. The project would receive a contribution from Leicestershire CC as administrators of the Better Care Fund of £32,913 p.a. (£16,457 for the 6 month period within year 2017/18 from 1st October 2017), resulting in the following cost allocation:

	Whole Year		1/10/17 – 31/3/18	
County Contribution	£	32,913	£	16,457
MBC Contribution	**£**	**34,663**	**£**	**17,331**
	£	67,576	£	33,788

5.3 The Council is able to meet a proportion of its costs by the capitalisation of funds expended on the delivery of DFG's, as agreed with the External Auditors. This has been calculated as £13,673.29 (£6,837 for the six month period in 2017/18) resulting in a shortfall requiring a further financial contribution of £20,990p.a. (£10,495 for the six month period from 1/10/2017).

5.4 The combined costs for Melton, comprising the contributions described above and implications described at para. 3.9 above (capitalisation) are therefore:

	Whole Year		1/10/17 – 31/3/18	
MBC contribution to Lightbulb staffing	£	34,663	£	17,331
Reduced capitalisation of existing staff costs (see para 3.9)	£	9,300	£	4,650
TOTAL COST	£	43,963	£	21,981
Capitalisation of DFG costs	£	13, 673	£	6,837
Additional Finance Required	**£**	**30,290**	**£**	**15,114**

5.5 An alternative approach would be to transfer the relevant proportion of officer time to the Project through TUPE (0.2 FTE – see para 3.8 above). This would counter balance the financial contributions described above in the form of salary savings (and related employment costs) by a sum of £ 9,315 p.a. (£4,657 for the initial 6 month period), resulting in a net additional cost to the Council of £20,975 (£10,457 for 6 months rather than the sums set out at para. 4.4 above.

5.6 A further alternative would be to conclude that the post that currently administers DFG's is redundant. This would give rise to redundancy costs of approx. £4186 (£6279 if voluntary), and employment cost savings of £18,630 (£9,315 for the period 1/10/2017 – 31/3/2018). However, there are significant doubts as to whether this is a viable proposition because the postholder undertakes a range of Environmental Health tasks that are not affected by the proposals, and which are unlikely to be able to be absorbed by the service team remaining and would lead to a wider restructuring. It is suggested that if this approach is preferred, authority is delegated to the Head of Regulatory Services in consultation with the Head of Communications to make the necessary amendments.

5.7 It is suggested that if the approaches described above at paras 5.5. and 5.6 above are preferred, authority is delegated to the Head of Regulatory Services in consultation with the Head of Communications to make the necessary amendments.

6.0 LEGAL IMPLICATIONS

6.1 Any agreements put into place between partners are expected to be in the form of Service Level Agreements and Memorandum of Understanding. These are currently in production

and authority is sought for the Head of Regulatory Services to sign these documents in consultation with the Solicitor to the Council. No other specific legal implications are anticipated.

7.0 EQUALITIES

7.1 The implementation of the service across Leicestershire and in line with an agreed SLA should seek to ensure equality of access to this service.

8.0 RISKS

8.1 A comprehensive risk register is in place for the Lightbulb Programme, with risk and issues reported regularly through Programme governance structures. A formal review of the risk register is undertaken on a quarterly basis.

8.2 As part of the risk assessment process, each identified risk is given a red, amber or green status. A summary of the most significant (red) risks are outlined below, together with mitigating actions:

Risk description	RAG/score	Mitigation
Partner LA's withdrawing from the Programme due to, for example, lack of commitment to a new service model or unwillingness to change	RED	Ensure regular engagement with all partners as the programme develops Provide regular opportunities for partners to raise issues and concerns that can be quickly and appropriately addressed Develop arrangements to move forward with Lightbulb among remaining partners
Commissioning partners are not able to agree and implement Lightbulb in time to effectively manage the shift from existing contractual arrangements	RED	Develop Lightbulb Business Case for sign off by all Partners Partners who are commissioning aligned services to have a decision making/action plan in place based on Business Case.
There are insufficient resources/skills within the PMO and/or partner organisations to implement the transformation required into the new Lightbulb model	RED	Identify requirements across PMO and partner organisations together with an agreed plan for meeting these across

9.0 CLIMATE CHANGE

9.1 There are no specific climate change implications.

10.0 WARDS AFFECTED

10.1 Works could take place in any ward in the Borough.

Contact Officer J Worley – Head of Regulatory Services
Date: 1st July 2016

Appendices : None

Background Papers: *Report to to PFA Committee 30/11/2017 and Appendix A, lightbulb Business Case*

Reference : PFA