

Appendix 1 – Background detail

The service has been provided by We Care Home Improvements (WECHI) since 2016 and originally formed part of the HIA contract but was disaggregated in 2018 to enable better commissioning oversight and alignment with the community equipment service as they are similar in nature. Since the disaggregation, the service has been funded on a temporary basis from the disabled facilities grant (DFG).

The contract has been extended on multiple occasions and costs remained static at £90k per annum for a total of 1950 jobs until 2021-22. At this point the steep rise in referrals, in conjunction with a steep rise in material costs, meant that agreed volumes and costs were forecast to be exceeded for 2021/22. A top up of £18k to enable an increase in the total number of jobs to 2150 was agreed to enable service provision to year end.

As the contract was due to expire at the end of March 2022, a request was made for a direct award to WECHI for 1yr (+1yr) to allow the uninterrupted transition of the community equipment service to in house provision by Bath and North East Somerset Council. Approval was given for 1 year only and WECHI negotiated a revised model of service provision based on cost per job using data and trends from the previous year. As we approach the end of the direct award period, concerns about the rising costs have prevented the progression of the options appraisal to single member decision stage.

Budgetary concerns

The predicted annual spend of £168k using the revised model of provision was exceeded for 2022-23 resulting in a total cost of £222k (+33%). It is of note that the service is demand led and impacted by the drive to achieve earlier hospital discharge and prevent admissions/re-admissions through the provision of home adaptations. Future annual spend is likely to remain similar if the service is contracted externally. If we were to procure the service, it is likely this trend would continue and using the overspend as a benchmark, could result in 2024-25 costs nearing £296k for the year. Whilst it may be possible to consider funding this service from DFG for 2024/25, it will not be sustainable in the longer term with significant pressure on the DFG budget coming from building cost inflation, an increase in the complexity of cases and increasing numbers of referrals post-covid. As noted the Adult Social Care Discharge Grant can give some support in 2024/5 while transformation is secured. Funding of the service will however be the subject of the review prior to building into 2025/6 budgets.

Whilst the total estimated cost to run the service as an in-house model is estimated at £238,133 for year 1, it would be prudent to add a 10% contingency to cover any unidentified costs, taking the overall estimated running cost in the first year to £261,949.00. Conversely, there will be economies of scale relating to the purchase of materials in larger quantities that cannot currently be quantified until a decision is reached on the preferred option and negotiations with suppliers can take place. A detailed project plan has been created to manage the transition of the service if approved. This is attached at Appendix 1. It is of note that this is a council funded service with no current contribution from the ICB, unlike community equipment which is funded from a pooled budget and therefore has ICB commissioning and performance oversight. Discussions will need to be held with the ICB to agree future contributions as this service provides benefits from both a health and social care perspective.

The Strategic Evidence base for B&NES also demonstrates a predicted 15% rise in people over the age of 65 between 2018 and 2028 and this may impact directly on future demand for minor adaptations and community equipment, as the drive to enable individuals to remain in their usual place of residence safely and independently continues. Therefore, growth of 15% has been built into the budget across the next 3 years but it is not possible to accurately determine if this will be required at this time.

It is of note that inflationary rises predicted below reflect those passed on by external contractors and include increased management overheads and elements of assessment processes that will not be replicated within an in-house model and therefore may not be experienced.

Estimate of costs to run service in house.

Resource	Cost	TOTAL
3WTE Technicians/Fitters	*Grade 6 £28, 900	£112,233 incl. on-costs
1WTE Administrator Council Grade 4	Grade 4 £23, 500 (current salary)	£30,000 incl. on-costs
Vehicles x 2	£10,800 per year (£900 per month)	£10, 800
Tools	£5, 000 per year	£5, 000
Fuel	£4, 000 per year (£333 per month)	£4000
IT Set up/equipment	£1, 200 per quarter	£4, 800.00
HR TUPE support	£6,000.00 – one off	£6, 000
Costs of Materials	£65k (est)	£65, 000
**Accommodation	Within community equipment store and associated facilities	
Uniform costs	£300	£300
TOTAL		£238,133.00
+10% contingency	£23, 813.00	£261. 949.00