

# Delivery of Disabled Facilities Grants

Cabinet Member for Housing, Ecology and Climate Change

Date: 11th October 2022  
Agenda Item: 4  
Contact Officer: Simon Fletcher/Lucy Robinson/ Andrew Rowbotham  
Tel Number: Tel: 01543 308001/ 308710/308061  
Email: [lucy.robinson@lichfielddc.gov.uk](mailto:lucy.robinson@lichfielddc.gov.uk)  
[simon.fletcher@lichfielddc.gov.uk](mailto:simon.fletcher@lichfielddc.gov.uk)  
[andrew.rowbotham@lichfielddc.gov.uk](mailto:andrew.rowbotham@lichfielddc.gov.uk)  
Key Decision? YES  
Local Ward All  
Members



**CABINET**

## 1. Executive Summary

- 1.1 The purpose of this report is to provide an update on the future delivery of Disabled Facilities Grants (DFGs) and associated works/services from 1<sup>st</sup> April 2023 following the report to Cabinet on 8<sup>th</sup> February 2022.
- 1.2 Following lengthy discussions with Tamworth Borough Council (TBC) a shared service with them is no longer an option and approval is sought to deliver the service for our residents through a team to be established in our Local Authority Trading Company - Lichfield West Midlands Trading services (LWMTS).
- 1.3 A detailed project plan is in place and actions are in progress to establish the service before the financial year end.

## 2. Recommendations

- 2.1 To approve that Lichfield District Council award a contract to LWMTS to deliver DFGs and associated works/services from 1<sup>st</sup> April 2023 without undertaking a competitive tender process in reliance of the 'Teckal'<sup>1</sup> exemption.
- 2.2 To delegate authority to the Cabinet Member for Housing, Ecology and Climate Change in consultation with the Chief Executive and Monitoring Officer to agree the final arrangements/ service structure and governance with LWMTS.
- 2.3 To carry out a formal review of the service once launched after 6 months, 12 months and then annually thereafter with a performance report being considered by Overview & Scrutiny Committee and Cabinet.

<sup>1</sup> Regulation 12(1) of the Public Contract Regulations 2015 confirms that a public contract falls outside the scope of the procurement rules requiring a competitive tender process prior to contract award where all of the following conditions are met:

- (a) the contracting authority (e.g., the Council) exercises over the legal person concerned (e.g. a wholly owned subsidiary to whom the Council seeks to award a contract) a control which is similar to that which it exercises over its own departments;
- (b) more than 80% of the activities (by revenue) of the controlled legal person are carried out in the performance of tasks entrusted to it by the controlling contracting authority (this is commonly known as the Activities Test); and
- (c) there is no direct private capital participation in the controlled legal person (commonly referred to as the 'Teckal' exemption).

## 3. Background

- 3.1 The Council has a statutory duty to provide DFGs, which are currently delivered on our behalf by Millbrook Healthcare Ltd<sup>2</sup>. Following an options appraisal during summer 2021, all the SILIS partners agreed not to extend the Millbrook contract when it expires in 2023. In February Cabinet<sup>3</sup> approved to set up an in-house service to deliver DFGs and associated works/services and to continue discussions with TBC on developing this as a shared service hosted by us to deliver DFGs from 1<sup>st</sup> April 2023.
- 3.2 Following lengthy discussions with TBC and recent internal structural changes, a shared service with TBC is no longer felt to be the best option. Delivery of DFGs by a team within our wholly owned company, LWMTS, is now considered the most suitable solution for the provision of DFGs and associated works/services.
- 3.3 The main advantages of delivery through LWMTS are:
- Greater flexibility with employment contracts to try and attract and retain skilled staff in line with market expectations.
  - A stronger governance structure and local accountability for just one local authority.
  - The Council retains a high degree of control over LWMTS that would not be possible by outsourcing the service again.
  - Despite certain restrictions on the type and level of commercial activities, LWMTS possesses greater freedom than an in-house service to provide services, including the development and delivery of new non-statutory services, which could generate additional income. This could include the future potential to generate income by supporting 'self-funders' that are not eligible for a mandatory DFG.<sup>4</sup>
  - There will be a clearer staff reporting mechanism than would be possible in the new Council structure (Target Operating Model), with all parts of the service under one manager. Greater resilience will be available as some staff with surveying/technical expertise are already employed by LWMTS.
  - Due to the 'Teckal exemption', no competitive procurement exercise is required to enable LWMTS to deliver the DFG support and delivery service.
  - A clear commissioner/provider split will exist, meaning that the Council can incentivise LWMTS to realise efficiencies and develop service offerings.
  - Staff will be able to perform more efficiently by focussing on just Lichfield District residents and having a single housing assistance policy to follow.
- 3.4 The original project plan that was developed to deliver the new service has now been modified to reflect the change in workflows in setting up the service through the company. The project plan covers the key work streams needed to drive forward the development of the service: governance, HR (including TUPE) and the service structure, finance, office requirements, ICT, operational processes, key performance indicators (KPIs), contractors, Occupational Therapy (OT) service, legal, legacy work in progress, risk management, communication and health and safety.

---

<sup>2</sup> We participate in a Staffordshire County Council contract along with five other local authorities in the 'Support for Independent Living in Staffordshire' (SILIS) partnership - Newcastle under Lyme, South Staffordshire, Stafford, Staffordshire Moorlands and Tamworth.

<sup>3</sup> LDC decision was approved at the Cabinet meeting on 8th February 2022.

<sup>4</sup> This would need to be less than 20% of overall income to comply with the Teckal exemption (see risks section).

Key milestones are in place to ensure that a cohesive DFG service is ready to commence delivery during March 2023.

- 3.5 We will continue to use Cherrywhite specialist DFG consultancy services to provide external project management support in setting up the new service, as well as continuing to support us to monitor the current contract with Millbrook Ltd to try to minimise potential issues with applications and work in progress that will need to be transferred over. Although we are trying to minimise this, the new service will inherit a backlog of cases which will potentially be more resource intensive to administer than those coming in as new enquiries. Due to a recent influx of new enquiries and the current provider not being able to progress applications, the backlog is unfortunately increasing and at the 1<sup>st</sup> September c 200 residents were being supported by the current provider to apply for and complete works funded by a DFG. Our ambition for the new service is to improve the overall service for our residents and increase performance in terms of level of spend, customer satisfaction and reduce the time taken from grant application to completion. However, we recognise that the backlog of cases will hinder performance for at least the first 12 months whilst the new service embeds itself and becomes established.
- 3.6 The recruitment of appropriately experienced staff is key to the successful delivery of the new service. Being employed by LWMTS will provide greater flexibilities over our ability to offer pay and terms and conditions in order to attract high calibre staff in the competitive labour market. Staff with excellent DFG knowledge will be needed to ensure that grants are approved appropriately.
- 3.7 TUPE will apply for some staff employed by the current provider; we have contacted their HR team about this but are waiting to have confirmation of how many staff and what positions they hold that will be TUPE'd to us. It is our intention to undertake meaningful engagement and consultation as soon as the current provider allows.
- 3.8 Our aim continues to be to provide a seamless customer journey to disabled residents that qualify for a DFG. Access to the service will continue to be through the county council 'Front door' and clinical needs assessments provided by qualified staff, including occupational therapists (OTs) or Trusted Assessors under the supervision of a qualified OT. However, as the current adult OT service procured by the County Council for adults does not support the DFG process we will be using a framework for OT services that is being procured by Stafford Borough Council and is being made available to all councils in Staffordshire. We have been advised that this will be out for advert later in the autumn with providers in place before April 2023. Most SILIS partners have confirmed that this is the route they will be using to procure OT DFG assessments which will ensure parity of commissioned services through a single specification<sup>5</sup>. In addition to this LWMTS is also exploring employing its own OT qualified staff and using caseworkers as trusted assessors for lower-level adaptations. The cost of OT assessments is eligible for capital expenditure out of the grant funding we receive.
- 3.9 Procurement of contractors is progressing and we have signed up to join the Independence Community Interest Company (Plymouth) Dynamic Purchasing System(DPS) that will allow us access to accredited and competent tradespeople in a co-ordinated manner with minimal 'competition' between areas for contractors. The 'Teckal' exemption will not apply to any contracts awarded by LWMTS to its sub-contractors who deliver DFG works/services.

---

<sup>5</sup> Although it will be a single specification it may not be a single provider as the contract has different lots based on types of assessment and geographical areas to enable smaller organisations to bid. There is no up-front cost to joining the DPS to us and the other Staffordshire authorities.

Accordingly, the DPS will be used to ensure that any DFG sub-contracts are awarded by LWMTS in accordance with the requirements of the Public Contracts Regulations 2015

3.10 The procurement of the same software system used by the current provider has also been agreed; this will be hugely beneficial as it will allow data to be transferred over and testing of systems to be done in advance of full-service commencement.

3.11 Legal advice has been obtained from Trowers & Hamlins solicitors and the main considerations are covered in the legal section below. We will ensure that appropriate delegations are in place for LWMTS fulfilment of the Council's statutory duties in allocating DFG funding and its exercise of works on behalf of the Council. We will also review our constitution to ensure that the governance required for delivery of DFGs is in place in advance of the service commencing.

3.12 As this is a new service to the Council, there will be insurance implications that we will need to disclose as part of the current insurance tender exercise. It is likely that the addition of this service will require an increased insurance premium but it is not possible to quantify the likely value of the additional cover at present, and this will not be available until tenders are received towards the end of February 2023. A detailed description of the service and governance arrangements will need to be included in LWMTS Business Plan in order to increase the scope of the current insurance.

<p><b>Alternative Options</b></p>	<ol style="list-style-type: none"> <li>1. To try and procure another external provider. This is not a realistic option due to the timescale, and from knowledge of consultants of similar tenders there are a lack of providers in the market. Also, a smaller contract for LDC alone would not be attractive enough for a private provider.</li> <li>2. To set up an in house service. This would not be as suitable an option as the one proposed due to the advantages outlined in section 3.3 above.</li> <li>3. To try to set up another shared service. This would not be as suitable an option as the one proposed due to the advantages outlined in section 3.3 above.</li> <li>4. The following options have been considered for delivery of DFG services by way of a Council owned trading company: <ul style="list-style-type: none"> <li>• through a team to be established in our existing Local Authority Trading Company Lichfield West Midlands Trading services (LWMTS);</li> <li>• the incorporation of subsidiary of LWMTS dedicated to the delivery of DFG services; or</li> <li>• the incorporation of a new and separate local authority trading company dedicated to the delivery of DFG services.</li> </ul> </li> </ol> <p>Utilising the existing trading company of the Council, LWMTS, is the favoured option on the basis that it results in minimal administrative burden to the Council.</p>
-----------------------------------	--

<p><b>Consultation</b></p>	<p>The views of Overview and Scrutiny Committee were originally sought on 20<sup>th</sup> January 2022 and members of the committee received a briefing paper on this revised proposal in advance of their meeting on 4<sup>th</sup> October.</p> <p>Pursuant to the Local Government Act 1999, we must make arrangements to secure continuous improvement in the way our functions are exercised, having regard to a combination of economy, efficiency and effectiveness. We need to</p>
----------------------------	--

consult for the purpose of deciding how to secure continuous improvements and so we are drawing up a consultation plan to cover the award of contracts to LWMTS.

We await TUPE lists from the current provider and will undertake full and meaningful consultation with the staff within scope in line with employment law and relevant best practice.

Financial Implications

1. District and borough councils receive capital grant funding for DFGs from the Better Care Fund allocated to us via SCC. A service delivered by LWMTS would still be funded from this grant and would therefore not represent a growth to the Councils' general fund.
2. The 2021 Social Care White Paper included a commitment to retain current levels of DFG funding, however it also contained a commitment to review the allocation formula which could lead to a reduction or increase in funding. We will not know the outcome of this review until 2023 at the earliest.
3. The draft Capital Programme from 2023/24 to 2027/28 is shown in the table below with funding provided by the Better Care Fund:

	Approved Budget			Projections		Total
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	£000
Disabled Facilities Grants - 100% funded by Better Care Fund	1,272	1,272	914	914	926	5,298

4. The Council has sought advice from its tax advisor and there are two key areas that need to be considered:
  - **Administration** – HMRC will generally expect the supply of administration of the DFGs to be separate to the works and therefore VAT will be chargeable at the prevailing rate. The Council will therefore need to charge and account for VAT at the prevailing rate, deducting the gross value from the Better Care Fund Grant.
  - **Works** – The supplies of DFG works will be a mixture of zero rated and standard rated. Where the works are zero rated, the Council will not be required to account for any VAT. Where the works are standard rated, the Council will need to charge and account for VAT at the prevailing rate, deducting the gross amount from the Better Care Fund Grant.
5. In addition, the cost of Occupational Therapists would continue to be funded through the DFG. At this stage, the central scenario financial modelling assumes an annual budget of £34,000 plus VAT and it is assumed the gross amount is deducted from the Grant.
6. The accounting for the Disabled Facilities Grant service will be through a separate set of cost codes within LWMTS. Therefore, any DFG services provided within the Company will need to be managed transparently for example through the use of an internal 'Service Level Agreement'.
7. It is intended that the Company will only receive reimbursement from the Council for actual or committed costs incurred during the financial year in order that no surplus or deficit occurs. However the Council must be mindful of transfer pricing requirements and therefore the actual approach to be adopted will be developed in consultation with the Council's Tax advisors.

8. A projection (excluding inflationary increases) of how the DFG budget will be allocated based on the approved Capital Programme (it was assumed the grant level would reduce in later years with the review of the grant allocation formula) is provided below:

	Approved Budget			Projections		Total
	2023/24	2024/25	2025/26	2026/27	2027/28	
	£000	£000	£000	£000	£000	£000
<b>Disabled Facilities Grants - 100% funded by Better Care Fund</b>	<b>(1,272)</b>	<b>(1,272)</b>	<b>(914)</b>	<b>(914)</b>	<b>(926)</b>	<b>(5,298)</b>

Cost of delivering the service	336	316	316	316	316	1,601
Adaptations budget	936	956	598	598	610	3,697

9. There are a number of uncertainties related to these projections in relation to:

- A review of the grant allocation formula;
- The cost of Occupational Therapists.
- The level of backlog works and unspent grant that will be transferred.

10. Therefore two illustrative scenarios are provided based on:

- The level of grant being at the 2023/24 level and;
- The level of grant being 20% higher than the 2023/24 level and the cost of delivering the service by LWMTS also proportionally increases.

11. The financial projections (excluding any inflationary increases) based on these alternative assumptions are shown below:

	2023/24	2024/25	2025/26	2026/27	2027/28	£000
	£000	£000	£000	£000	£000	£000
What if:						
<b>Future years Disabled Facilities Grant Budget is at 2023/24 level</b>	<b>(1,272)</b>	<b>(1,272)</b>	<b>(1,272)</b>	<b>(1,272)</b>	<b>(1,272)</b>	<b>(6,360)</b>
<b>Backlog' unspent Grant</b>	<b>(450)</b>	<b>(450)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(900)</b>
Cost of Delivering the Service	336	316	316	316	316	1,601
Adaptations Budget	1,386	1,406	956	956	956	5,659

What if:						
<b>Future years Disabled Facilities Grant Budget is 20% above 2023/24 level</b>	<b>(1,272)</b>	<b>(1,526)</b>	<b>(1,526)</b>	<b>(1,526)</b>	<b>(1,526)</b>	<b>(7,378)</b>
<b>Backlog' unspent Grant</b>	<b>(450)</b>	<b>(450)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(900)</b>
Cost of Delivering the Service	336	379	379	379	379	1,854
Adaptations Budget	1,386	1,597	1,147	1,147	1,147	6,423

12. The Company's Business Plan is subject to approval by the Council on an annual basis or if material changes are proposed during the financial year to ensure proposed activity is transparent and has shareholder approval.

13. The requirement that Better Care Funding is only spent on the delivery of disabled adaptations will require all financial transactions to be transparently 'ring fenced' in LWMTS Business Plan and Accounts.

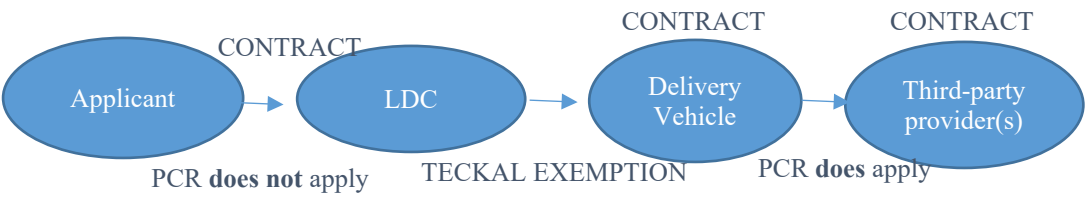
14. The allocation and use of Better Care Funding in relation to DFGs is subject to extensive oversight through reporting and grant claims that need to be audited and signed off by key officers within the Council. Therefore the Company must provide

	<p>all of the necessary information within the agreed deadlines to ensure compliance with legal and reporting requirements. This will be confirmed in the contract entered into by the Council and LWMTS for delivery of DFG related works/services.</p> <p>15. In addition the Company will be required to provide access to all internal audit and external audit teams together with any other government bodies that form part of the regulatory or internal control framework. The Company will also be required to complete any funding returns and submit these to the Council for inspection as and when requested. The government Delta return and any other returns will also need to be completed as required.</p>
<p>Approved by Section 151 Officer</p>	<p>Yes</p>

**Legal Implications**

Trowers & Hamblins solicitors have provided in depth legal advice on the delivery of DFGs and associated works/services via LWMTS or a new local authority owned company.

The recommended legal structure for the delivery of DFG works/services is as follows:



The legal advice covered how a Council controlled company could be awarded a contract by the Council to deliver DFGs and associated works/services without the Council undertaking a competitive tender process in accordance with the 'Teckal' exemption (Regulation 12(1) of the Public Contract Regulations 2015).

The Council would therefore not need to carry out a competitive procurement process or advertisement in awarding a contract for DFG services/works to LWMTS. The 'Teckal' exemption recognises that where a contracting authority contracts with a company that it controls and owns, the position is effectively not that different from the services being provided in-house.

The 'Teckal' exemption will apply in relation to contracts awarded by the Council to LWMTS, provided that, the requirements of Regulation 12 (including the 'activities test' as defined above) continue to be satisfied. The activity of LWMTS should be continuously monitored to measure the proportion of LWMTS activity undertaken for the Council against activity undertaken for third parties. The activity of LWMTS to be considered for the purposes of the 'activities test' (defined above) is all activity of LWMTS (including its property related services) not just DFG related activity.

The fact that separate departments within LWMTS (with different cost centres) will undertake property services and DFG services, has no bearing on the

	<p>procurement law advice above including the applicability of the 'Teckal' exemption to contracts awarded from the Council to LWMTS for DFG services. Regulation 12(2) of the Public Contract Rules (PCR) confirms that, where the Teckal exemption applies, contracts awarded by the Teckal company LWMTS back to its controlling authority (the Council) do not require a competitive procurement process, even though the Teckal Company (LWMTS) itself will be subject to the PCR.</p> <p>Trowers &amp; Hamblins have recommended that for the Council to outsource its DFG activities as proposed to LWMTS a contract will need to be entered into for the provision of:</p> <ul style="list-style-type: none"> <li>• DFG application processing and funding allocation; and</li> <li>• undertaking of DFG works at applicants properties.</li> </ul> <p>LWMTS can then subsequently enter into sub-contracts with third-party providers (contractors) for the delivery of adaptation works. It should be noted that the 'Teckal' exemption will not apply to the award of any sub-contract by LWMTS to its third-party sub-contractors. It is the Council's intention to utilise a Dynamic Purchasing System to procure services from sub-contractors.</p> <p>As a public body exercising public functions, any decision made by the Council in relation to the legal structure for delivery of the DFGs and associated works/services is potentially capable of challenge by way of Judicial Review. The primary legal risk is that an interested party seeks to challenge the decision by way of Judicial Review. This report has therefore been subject to a legal review to assess the risk of any ground of challenge arising from the content.</p> <p>The service being proposed exceeds the statutory minimum service and there are no other identified legal issues.</p>
Approved by Monitoring Officer	Yes

<p><b>Contribution to the Delivery of the Strategic Plan</b></p>	<ol style="list-style-type: none"> <li>1. The service will support people to remain living independently at home for as long as it is safe for them to do so which will support the objectives of “Enable people to help themselves and others and also to live healthy and active lives” by reducing the barriers they face in their homes.</li> <li>2. The service will be able to support local businesses through the contractor supply chain which will ‘encourage economic growth’.</li> <li>3. Through specifying the works and working with newer technologies as they are developed in adaptations, the service will be able to support the Council to ‘keep it clean, green and safe’ as well as ensuring that the historic characteristics of the district are retained.</li> <li>4. The new service will be ‘responsive and customer focussed’ which is another objective of the strategic plan and will enable us to support our most vulnerable residents effectively.</li> </ol>
--	---



Equality, Diversity and Human Rights Implications	The client group of this service are adults and children with a disability. The use of a means test directs grant funding to residents on a low income who are otherwise unable to afford to adapt their home. Completion of an equalities impact assessment is in the project plan.
Crime & Safety Issues	There are not anticipated to be any impacts.
Environmental Impact	Through the development of the service we will have control regarding the supply chain and will also be able to review the specifications for work to enable the works completed to be cognisant of our carbon commitments.
GDPR / Privacy Impact Assessment	Delivery of the DFG service will involve the processing of personal and special category data. A full Data Protection and Privacy Impact Assessment will be undertaken prior to commencement of the service.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	If the new service is not approved and established in time residents could be left without any support for applying for a DFG from 1 <sup>st</sup> April 2023. Some adaptation work will also be on site and need managing.	Likelihood : Yellow Impact : Red Severity of Risk : Red	The previous project and implementation plan has been revised and a new project group established. Actions are in place for the new service to be finalised over the next 6 months ready for 'Go Live' in advance of April 2023. If we do not achieve this deadline the contingency plan will be in the short term to provide the statutory service of approving and paying grants only.	Likelihood: Green Impact : Green Severity of Risk : Yellow
B	Inability to spend the DFG allocation if the service is not set up in time.	Likelihood : Red Impact : Red Severity of Risk : Red	The project plan is in place and actions in progress for the new service to be finalised over the next 6 months ready for 'Go Live' in advance of April 2023. Any underspent allocations may only be utilised for DFG purposes and separate accounts and reserves will be set up for any potential underspends.	Likelihood : Green Impact : Yellow Severity of Risk : Yellow
C	Recruitment of experienced staff. It will be critical to recruit staff with relevant experience and DFG knowledge.	Likelihood : Red Impact : Red Severity of Risk : Red	To ensure that job descriptions, person specifications and terms and conditions are appropriate. Advertise for vacant posts as soon as possible once the outcome of TUPE discussions is known.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
D	Lack of specialist knowledge and capacity to deal with TUPE in the HR team.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow	Specialist knowledge will be available from the external HR consultant employed by LWMTS.	Likelihood : Green Impact : Green Severity of Risk : Green

E	There is a risk of unsatisfactory performance from staff who join the new service.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow	We do not know which staff may TUPE over into the new service until discussions commence with the current provider. Careful performance management and recruitment of a suitably qualified service manager should minimise this risk.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
F	Risk of applications not being progressed resulting in the new service inheriting a backlog of cases. Legacy cases/ a backlog may hinder performance for at least the first 12 months.	Likelihood : Red Impact : Red Severity of Risk : Red	We are continuing to monitor the contract as best as we can with regular cases meetings with the current provider and continuing with auditing applications to highlight any issues early on. Through meetings of the SILIS steering group and Strategic Project Board we will also monitor and manage performance. Cherrywhite's DFG consultancy specialist support for monitoring will continue into 2022/23.	Likelihood : Red Impact : Red Severity of Risk : Red
G	Applicants opt for an alternative contractor to the Council	Likelihood : Green Impact : Green Severity of Risk : Green	To date most applicants opt for the Council to arrange delivery of DFG works via the current provider. Therefore it seems most likely that most applicants will opt for the Council to provide DFG works through the Council's sub-contractor LWMTS. A communication plan will be in place to ensure that residents are informed of the changes to smooth the transition.	Likelihood : Green Impact : Green Severity of Risk : Green
H	IT is not in place to transfer over the cases where work is on site and applications have been made but not yet progressed or completed.	Likelihood : Yellow Impact : Red Severity of Risk : Red	Discussions are taking place with the provider of the preferred software system and they have allocated us a slot in their system build programme this month. Process maps have been revised to enable the system build to commence. The IT system is scheduled to be in place by March 2023 to enable data to be easily transferred over and testing to be done in advance of the new service commencing.	Likelihood : Green Impact : Green Severity of Risk : Green
I	In accordance with Department of Health and Social Care guidance <sup>6</sup> , the contract for DFG funded works must be between the Council and the applicant. Accordingly, there is the risk that applicants come to the Council to fix broken items a long time after the warranty period.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow	Contracts will be in place with applicants and Council sub-contractors to cover any future risks and have adequate indemnity and warranty periods to cover issues with any works on site etc. Subcontracts will contain robust KPI's and ensure close performance monitoring.	Likelihood : Green Impact : Green Severity of Risk : Green
J	Non- compliance with the Teckal exemption as wider trading exceeds the 20% limit.	Likelihood : Yellow Impact : Red	Legal advice has been sought and contracts will be drafted to ensure compliance. The Company will need to monitor its level of 'non-Council' activity through its periodic	Likelihood : Green Impact : Green

<sup>6</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1065574/DFG\\_Guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1065574/DFG_Guidance.pdf)

		Severity of Risk : Red	review of the Business Plan and actual activity. In the event level of 'non-Council' activity exceeds 20% of the New LATCo's overall activity (by revenue), all services currently provided to the Council would need to be subject to a procurement exercise.	Severity of Risk : Green
K	Reputational risk if we fail to achieve the deadline for the start of the service by 1 <sup>st</sup> April 2023.	Likelihood : Yellow Impact : Red Severity of Risk : Red	A robust project plan is in place and a project team set up to ensure delivery on time. Actions are in place for the new service to be finalised over the next 6 months ready for 'Go Live' in advance of April 2023.	Likelihood : Green Impact : Green Severity of Risk : Green
		<p>Background documents:</p> <p>Cabinet Confidential Report 8th February 2022  <a href="https://democracy.lichfielddc.gov.uk/ieListDocuments.aspx?CId=138&amp;MId=1742&amp;Ver=4">https://democracy.lichfielddc.gov.uk/ieListDocuments.aspx?CId=138&amp;MId=1742&amp;Ver=4</a></p> <p>Overview &amp; Scrutiny Committee Confidential report 20<sup>th</sup> January 2022-  <a href="https://democracy.lichfielddc.gov.uk/ieListDocuments.aspx?CId=268&amp;MId=1806">https://democracy.lichfielddc.gov.uk/ieListDocuments.aspx?CId=268&amp;MId=1806</a></p> <p>Housing Assistance Policy approved by Cabinet 13th April 2021  <a href="https://democracy.lichfielddc.gov.uk/documents/s10510/Housing%20Assistance%20Policy%20Review.pdf">https://democracy.lichfielddc.gov.uk/documents/s10510/Housing%20Assistance%20Policy%20Review.pdf</a></p>		
		<p>Relevant web links:</p> <p>Better Care Fund  <a href="https://www.england.nhs.uk/ourwork/part-rel/transformation-fund/better-care-fund/about-the-better-care-fund/">https://www.england.nhs.uk/ourwork/part-rel/transformation-fund/better-care-fund/about-the-better-care-fund/</a></p> <p>Social Care White paper 2021.  <a href="https://www.gov.uk/government/publications/people-at-the-heart-of-care-adult-social-care-reform-white-paper">https://www.gov.uk/government/publications/people-at-the-heart-of-care-adult-social-care-reform-white-paper</a></p>		