

Agenda Item 7

Cabinet Member	Councillor Patricia Wiltshire
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Date	30 October 2018
Ward (s) affected	All
Key Decision	Yes

Subject	Authority to award a contract to deliver a Home Improvement Agency and Handy Person Service on behalf of the Council
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Recommendations

Cabinet endorses the award of a contract for the procurement of a service provider to deliver both the Home Improvement Agency Service and the Handy Person Service for Mole Valley District Council.

Executive Summary

The Council has a statutory duty to award Disabled Facilities Grants and the discretion to provide a wider service to disabled or vulnerable residents to provide advice, support and help to carry out essential repairs to their homes, subject to qualifying conditions. This support means that people can remain living safely in their own homes for longer.

A Home Improvement Agency (HIA) is contracted to provide this service, and the Handy Person Service (HPS), on behalf of Mole valley District Council (MVDC). This arrangement has been in place since 2011.

Reigate and Banstead Borough Council (RBBC) and Tandridge District Council (TDC) had also independently contracted out their service to the same provider.

The contract with the current provider has expired and a report was brought before the June Cabinet when Members gave approval for a joint procurement exercise to be undertaken with the other two councils. This has now taken place, with RBBC as the lead procuring authority.

The opportunity to tender for this contract was advertised on the SE Shared Services procurement portal in accordance with the requirements of the Public Contract Regulations 2015. Potential service providers receive information about new contracts being tendered and can submit their tenders via the portal.

The tender was advertised for just over five weeks. Five tenders were received by the closing date of 24th September. One was disqualified for reasons of non compliance, the four remaining were independently evaluated by officers from each of the three councils. The award criteria used for the evaluation of the tenders was 100% Quality and 0% price. This is because the amount of funding available to operate each of the services, for each of the councils, is fixed.

Following a full evaluation and moderation of the scores, the highest scoring tender has been identified. This report seeks members' approval to award the contract to a new service provider.

Subject to the recommendation being approved, notification of the 'Intention to Award' the contract will be made on 31st October. This will be followed by a Standstill Period and it is proposed that the contract will be formally awarded to the highest scoring tenderer on 9th November 2018.

The new contract will commence on 7th January 2019 and will run for an initial period of three years. There is an option for two, 1-year extensions to this period, each at the discretion of the contracting councils.

Corporate Priority – Environment

A highly attractive area with housing that meets local need

- The provision of Disabled Facilities Grants, which are administered by the Council and delivered through the Home Improvement Agency service enables people with disabilities to adapt their homes to improve access in and around the home and enable them to continue to live independently in their home.

Corporate Priority - Community Wellbeing

Active communities and support for those who need it

- The additional advice and signposting to support services which is supplied to residents through the Home Improvement Agency provides support to vulnerable and elderly people.
- The home assistance and repair service provided by the Handy Person Scheme enables residents to undertake essential repairs and improvements to their homes, improving opportunities for residents to live safe and healthy lives.

The Cabinet has the authority to determine the Recommendations

1.0 Background

- 1.1 Borough and District Councils have a statutory responsibility, under the Housing Grants, Construction and Regeneration Act 1996 to award Disabled Facilities Grants (DFGs) and provide a service which delivers these in line with the legislation. These grants enable people with disabilities to adapt their homes to improve access into and around their homes, provide access to use bathing facilities and sleeping rooms. DFGs help people with disabilities to remain independent in their own homes for longer.
- 1.2 The Council's obligations and powers extend beyond the provision of DFGs. The Regulatory Reform Order 2002 (RRO) included powers for LHAs to provide discretionary financial assistance for vulnerable and elderly residents to carry out essential repairs and home improvements to keep their home environment safe and also to provide advice about other support services. Mole Valley District Council currently contracts out the provision of this service to a Home Improvement Agency (HIA). The HIA also provides the closely linked Handy Person Service (HPS).
- 1.3 The HIA and the HPS services provide a range of core service elements for local vulnerable and elderly residents including:
- Delivery and support through the DFG grants process
 - Advice and repairs to prevent accidents around the home
 - Advice and home improvements to facilitate discharge from hospital to a safe environment
 - Advice on preventative measures around the home
 - Advice on accessing appropriate financial assistance or suitable alternative accommodation where their own cannot be made safe
 - Access to an approved and reliable contractor service to carry out home repair or improvements at a reasonable cost to the resident.
- 1.4 The HIA and HPS service in Mole Valley has been contracted out to an external service provider since 2011. Reigate and Banstead Borough Council (RBBC) and Tandridge District Council (TDC) also independently contracted out their service to the same provider. The contract with the current provider has expired and a report was brought before the June Cabinet this year when Members gave approval for a joint procurement exercise to be undertaken with the other two councils. This has now taken place, with RBBC as the lead procuring authority.
- 1.5 The dates for key stages of the procurement exercise are detailed below.
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| 16 th August | Issue of Invitation to Tender, including OJEU notice |
| 4 th September | Bidders Information Day |
| 24 th September | Final date for submission of tenders |
| 25 th Sept - 2 nd Oct | Evaluation of all compliant tender, and shortlist for interview |
| 10 th October | Interviews and moderation of scores |
| 31 st October | Announce decision of Intention to Award |
| 31 st Oct - 9 th Nov | Standstill period |
| 10 th November | Award of contract |
| 12 th Nov - 4 th Jan | Mobilisation of contract including TUPE of employees |
| 7 th January 2019 | Contract commences |

- 1.6 The opportunity to tender for this contract was advertised on the SE Shared Services procurement portal which is an electronic portal used by the vast majority of councils within Surrey, East Sussex and West Sussex. The portal interfaces with Contracts Finder and the Official Journal of European Union (OJEU), and therefore meets legislation requirements to value a procurement opportunity of this value through the UK and EU. Potential service providers receive information about new contracts being tendered and can submit their tenders via the portal.
- 1.7 The tender was advertised for just over five weeks. During that period the three councils held a joint 'Bidders Day' providing an opportunity for prospective tenderers to meet with the Council Officers who will be managing the contract, to discuss the service requirements in more detail and seek clarification on the tender specification.
- 1.8 Five tenders were received by the closing date of 24th September. One was disqualified before evaluation commenced as it was a non-compliant tender. The remaining four were independently evaluated by officers from each of the three councils during the period 24th September to 15th October 2018. The award criteria used for the evaluation of the tenders was 100% Quality and 0% price. The funding available to operate each of the services, for each of the councils, is fixed. The tendering organisations were all required to demonstrate how they intend to ensure safeguarding measures are in place during service delivery,
- 1.9 Following the evaluation of the tender documents, the organisations who submitted the three highest scoring tenders were invited to an interview with representatives of the three councils and to present their submission in more detail. Following the interviews, the scores were moderated and the highest scoring tender has been identified. It is anticipated that the aggregate value of the services required by the MVDC contract, including any potential extensions, will exceed £1,000,000 therefore, in accordance with Part 4 of the Council's Constitution, (Rules of Procedure Contract Standing Orders) this report seeks approval from the Cabinet to award the contract to the new service provider. That service provider having submitted the winning tender in the joint procurement process.
- 1.10 The 'Intention to Award' notification will be made tomorrow, 31st October. This will be followed by a Standstill Period of 10 days. This is a period in which a contract award decision must be open to review before contract conclusion. This enables the award decision to be set aside by a court where an aggrieved bidder has been unfairly treated by a breach of the rules by the contracting authority(s).
- 1.11 It is proposed that the contract will be formally awarded to the highest scoring tenderer on 9th November 2018, and will commence on 7th January 2019. The contract will run for an initial period of three years. There is an option for two, 1-year extensions to this period; each extension will be at the discretion of the councils.

2.0 Tender Evaluation

Tenders were evaluated in accordance with the process set out in the Invitation to Tender and the published evaluation methodology, and using a 100% quality criteria which is set out at appendix one. The total overall scores awarded to each tenderer are set out below:

Supplier	Total Score
Supplier A	54
Supplier B	76
Supplier C	95
Supplier D	73

3.0 Key Features of Supplier C

The company are a well established and proven organisation in the delivery of Home Improvement Agency services. They have developed a portfolio of complimentary services within their HIA delivery which surpass industry quality standards.

- extensive experience in delivering HIA services,
- references from other local authority clients endorsing the quality of the service
- evidence of identifying and dealing with bottlenecks in the delivery of DFGs to reduce the delivery times for customers
- achieving cost savings in delivery through the development of framework agreements with suppliers and requiring approved contractors to work to a schedule of rates
- innovative data management systems enabling case by case tracking and real time budget monitoring

4.0 Financial Implications

- 4.1 There are revenue and capital elements of funding for this service provision. Both elements are authorised by the Executive Head of Service for Place and Environment. MVDC receives capital funding annually from the Ministry of Housing, Communities and Local Government for the provision of this essential service. The funding is provided through the Better Care Fund (BCF) which is allocated by Surrey County Council (SCC). In 2017/18 the Council received capital funding of £736,645.
- 4.2 SCC and the Local Joint Commissioning Boards contribute revenue funding respectively for the delivery of the HIA and the HPS. In 2017/18 the Council received total revenue funding of £79,585.

2017/18 Funding Received

£736,645 Capital allocation through the BCF (including additional £71,382 from The Disabled Facilities Capital Grant Determination – Additional Funding 2017/18 [31/3175])

£ 79,585 Revenue allocation from SCC and LJCGs

£816,230 Total Funding Received

- 4.3 In 2017/18 the total cost of delivery of the HIA and HPS service was £204,453, made up of both revenue and capital. The remainder of the allocation was used to fund the actual adaptation works carried out in residents' homes.

2017/18 Cost of Service Delivery

Home Improvement Agency:
£56,068 core service provision
£30,000 caseworker provision
£17,000 technical officer provision
£77,868 fees paid to current provider

Handy Person Service:
£23,517 core service provision

£ 204,453 Total cost of delivery of the service

The remaining £611,777 funded the actual works which provided adaptations for 78 people. The average cost of an adaptation being £7,843.

- 4.4 Not included in the figures above is the resource for the administration of the service, performance monitoring and contract management. This is subsumed within the

Environmental Health Team. The team work closely with SCC Occupational Therapists to ensure the adaptations provided meet the needs of the client.

5.0 Legal Implications

- 5.1 As referred to in the main body of the report, MVDC has statutory duties under the Housing Grants, Construction and Regeneration Act 1996 (as amended), and other legislation, to award DFGs. Further powers, for example under the Regulatory Reform Order (Housing Assistance) (England and Wales) Order 2002, are available enabling MVDC to provide additional assistance.
- 5.2 There is a risk of challenge with any procurement. A breach of the Public Contract Regulations 2015 is one ground of challenge (exercisable by unsuccessful bidders). Judicial review is another ground of challenge available to service users or others with standing (traditionally claims would be based on one of three grounds: illegality, irrationality or procedural impropriety).
- 5.3. Because the contract will involve large scale processing of personal data and special category personal data a Data Processing Agreement will be required and measures will need to be taken to ensure the processing of personal data under the contract is GDPR compliant.

6.0 Options

Option 1 - Recommended

Subject to there being no challenge, the Members approve the award of the contract to supplier C for an initial period of three years, with the option to extend the contracts for a maximum of two further years with the agreement of all parties (MVDC, RBBC, TDC and the supplier), the service provider which submitted the winning tender to deliver a Home Improvement Agency service and a Handy Person Service.

Option 2

Members recommend that the Council does not award a contract to provide an HIA and HPS service

7.0 Corporate Implications

Monitoring Officer Commentary

The Monitoring Officer is satisfied that all relevant legal implications have been taken into account.

S151 Officer Commentary – Financial assistance is provided in the form of a grant by the Ministry of Housing, Communities and Local Government (MHCLG) via Surrey County Council. Mole Valley District Council provides a staff resource to administer and monitor the Disabled Facilities Grant scheme.

Risk Implications

Option 1 Members approve the award of the contract to the service provider which submitted the highest scoring tender to deliver a Home Improvement Agency service and a Handy Person Service.

Risks

A small number of grant applications will need to be handed over to a new provider, having begun the process with the existing provider. This could introduce the risk of delays in delivery for the applicant. In order to ensure these risks are mitigated, officers from Environmental Health are managing cases to ensure they are handed over at a stage which will minimise complication or delay. Officers will work closely with both service providers to ensure a smooth transition period.

The primary aim of this procurement process has been for the Council to obtain value for money and a good level of service for MVDC residents. The process has identified Supplier C as a reputable and quality contractor that will enhance the Council's

reputation and who subscribes to the ethos and values required in delivering a public service.

Nonetheless, in commencing any new contract, there may be some issues which arise which will impact on the reputation of the Council and the supplier. We will work very closely with the supplier to ensure that these issues are understood and addressed to requirements of the contract.

Opportunities

The appointment of the winning tender represents the most economically advantageous proposal and demonstrates the best quality of service offered by the suppliers that tendered for the delivery of this service on behalf of MVDC and the other councils.

Option 2 – Members recommend that the Council does not award a contract to provide an HIA and HPS service

Risks

The Council would not be able to fulfil its statutory duty of delivering DFGs and other support services to Mole Valley residents. Residents with disabilities who are unable to fund their own home adaptations would not be able to adapt their homes and would have to leave their homes and live in a residential home or sheltered accommodation, away from their families.

There is a reputational risk to the Council associated with the failure to meet its statutory duty.

Opportunities

There are no opportunities identified with this option.

Equalities Implications

It is considered that there are no equality implications for the Cabinet to consider in its approval to proceed with the award of the contract to provide this service. The service provider is required to deliver the service in line with Equalities Legislation and this will be reflected in the Contract.

Employment Issues

The Transfer of Undertaking (Protection of Employment) Regulations 2006 (TUPE) is likely to apply between the incumbent provider and successful supplier. This is not the direct responsibility of the Council but it will need to be monitored.

The new provider will take over any employment liabilities and the responsibility for the employment contracts of employees, who then transfer on current previous terms and conditions of service. The information provided by the incumbent provider indicate that this will apply to 8 full time posts (2 of which are currently vacant) and 5 part time posts (1 of which is currently vacant).

Sustainability Issues

There are no sustainability issues associated with this report

Consultation

There is no requirement to undertake stakeholder or public consultation with regard to this report.

Communications

The collaborative procurement of these services was published through a tendering portal called South East Shared Services portal which is provided by Intend Ltd. and is operated by. This portal interfaces with Contracts Finder and OJEU and enables the local authorities which use this portal to meet the requirements of PCR 2015.

Background Papers

No background papers were referred to during the preparation of this report.

