

Agenda Item 9 Urgent Item

Cabinet Member	Councillor Patricia Wiltshire
Strategic Management Team Lead Officer	Jack Straw – Executive Head of Service, Place and Environment.
Author	David Hine - Strategic Partnership Manager, Environmental Health & Licensing
Telephone	01306 879226
Email	David.hine@molevalley.gov.uk
Date	26.06.18
Ward (s) affected	All
Key Decision	Yes

Subject	The procurement of a provider to deliver a Home Improvement Agency service and a Handy Person Service
----------------	---

Recommendations

1. That the proposal to enter into a joint tendering exercise with Reigate and Banstead Borough Council (RBBC) and Tandridge District Council (TDC) for the procurement of one service provider to deliver both the Home Improvement Agency Service and a Handy Person Service for Mole Valley District Council (MVDC) be noted and
2. That approval be given to proceed with the joint procurement of the service as detailed in Recommendation 1.

Executive Summary

The purpose of this report is to seek Members approval to proceed with the procurement of a service provider to deliver both the Home Improvement Agency (HIA) Service and a Handy Person Service (HPS).

The Council has a statutory duty to award Disabled Facilities Grants (DFGs) assisting vulnerable people to carry out essential adaptations to their homes, subject to qualifying conditions, and this supports the Council's priority of Community Wellbeing as this service improves opportunities for residents to live safe and healthy lives.

The current service provider (Independent Home Solutions CIC) was operating under a contract with the Council. However this contract has expired and needs to be re-procured.

This is a joint procurement with RBBC and TDC, with RBBC as the lead procuring authority. All three councils currently use the same provider, and all three councils are either out of contract or their contracts are approaching termination.

The contract for the provision of a HIA and HPS for MVDC is proposed to run for an initial contract period of three years, with an option for two, one-year extensions. It is anticipated that the aggregate value of the services required by MVDC contract, including any potential extensions, will exceed £1,000,000. In accordance with Part 4 of the Council's Constitution, (Rules of Procedure Contract Standing Orders) this report seeks approval from the Cabinet to proceed with the procurement of this service through a joint procurement process

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 Home Improvement Agency 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 and deliver DFGs to enable people with disabilities to adapt their homes to improve access into and around their homes and help them to remain independent in their own homes for longer. The delivery of DFGs along with the provision of a much broader advisory service and support for local residents to live independently and safely at home is provided through two linked services, the HIA and the HPS.
- 1.2 HIA services originated over 30 years ago with a vision to provide responsive, client-centred solutions to low income, older owner-occupiers' home repair, maintenance and adaptation problems. Today, most agencies are managed by housing associations, local authorities or private companies with funding from local authorities and health services. All HIAs share two key facets:
- I. Client-centred support provided in a person's own home
 - II. Expertise in making changes to the physical fabric of the home.

Like many other councils, MVDC has contracted out the delivery of Home Improvement Grants and DFGs to HIAs for a number of years, recognising the benefit of the broader advisory and support service the HIA can provide to vulnerable residents, and also the direct link with the HPS.

- 1.3 The HIA and 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 initiatives around the home
 - Advice on accessing appropriate financial assistance or suitable alternative accommodation
 - 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 is one which has been contracted out to an external service provider since 2011. The contract with the current provider has expired and the Council needs to procure the services of a new provider to continue to deliver these services.
- 1.5 The neighbouring Surrey authorities of RBBC and TDC are in a similar position as MVDC and also need to procure a service provider to deliver HIA and HPS services.
- 1.6 In order to obtain better value for money, efficiencies in the procurement process and an integrated and consistent approach, the three councils have been working on a joint procurement project.
- 1.7 It is considered that this approach will be more attractive to potential service providers and may attract a larger range of bidders, which will provide more choice when evaluating the tenders and choosing the final provider. This will be a joint procurement exercise resulting in each council entering into separate contracts with one provider for the delivery of a consistent service across the area covered by three councils.
- 1.8 The proposed timescale has a contract start date of December 2018 with a contract period of three years. It is also proposed to include an option of two one year extensions, each at the discretion of each Council.

2.0 Financial Implications

- 2.1 There are revenue and capital elements of funding for this service provision. Both elements are authorised by the Executive Head of Service, Place and Environment.
- 2.2 MVDC receives capital funding annually from the Ministry of Housing, Communities and Local Government for the provision of this essential service. The funding is delivered as part of the Better Care Fund (BCF) and MVDC were awarded £727,382 in 2017/18 and will receive £724,313 for 2018/19.
- 2.3 SCC provides revenue funding towards provision of this service and in 2017/18 this was £79,585. The various elements of funding are set out below; these have remained virtually unchanged for the last two years.
- 2.4 In 2017/18 the total income received by MVDC for the delivery of this service was £806,967 and the cost of the delivery of the service was £204,453. The remainder of the allocation was used to fund the actual adaptation works carried out in peoples' homes.

2017/18 Funding Received

£727,382 Grant Award from the BCF

£ 79,585 for the provision of the service, awarded from SCC

£806,967 Total funding received

2017/18 Cost of service delivery

Handy Person Service:

£23,517

Home Improvement Agency:

£56,068 core service provision

£30,000 caseworker provision

£17,000 technical officer provision
£77,868 fees paid to current provider

£ 204,453 Total cost of delivery of the service

2.5 An element of revenue resource, for the administration of the services, performance monitoring and contract management, is subsumed within the Environmental Health Team. The EH team work closely with SCC Occupational Therapy Team to ensure the adaptations provided meet the needs of the client.

3.0 Legal Implications

The joint procurement of these services enables MVDC, and the other Councils, to meet their statutory duties under the Housing Grants, Construction and Regeneration Act 1996 (as amended), and other legislation, to award DFGs.

Because the contract will involve (i) the processing of large volumes of personal data and special category personal data (for example relating to the health of service users), and (ii) significant external data sharing the contract will be “high risk” from a data protection perspective. The tender documents will therefore need to include detailed specifications of how it will be GDPR/ Data Protection Act 2018 compliant and where different responsibilities lie. A GDPR Lead will need to be appointed (if this has not been done already) and conduct a Data Protection Impact Assessment to assess and minimize the risks to an appropriate level. If the risks cannot be mitigated to the satisfaction of the Data Protection Officer then the contract will need to be reported to the Information Commissioner’s Office which could delay completion.

MVDC’s Contracts Solicitor will review the proposed contract and include comments on it in the legal section of the subsequent report to Cabinet.

4.0 Options

4.1 *Option 1 - Recommended*

Proceed with the joint procurement of a service provider to deliver a Home Improvement Agency service and a Handy Person Service.

Officers from the three councils, RBBC, TDC and MVDC are currently preparing a detailed tender for the joint procurement of the HIA and HPS service. A joint procurement working across the three councils provides for the most effective use of resources and enables bidders to provide a solution which could deliver economies of scale, and therefore a more effective use of the grants and funding.

4.2 *Option 2*

Undertake procurement of the service as an individual council, only for MVDC

The procurement of this service as a sole council is not the recommended approach. The significant opportunities to be gained through a joint procurement exercise would not be realised.

4.3 *Option 3*

Do not provide an HIA and HPS service

MVDC has a statutory duty under the Housing Grants, Construction and Regeneration Act 1996, and other legislation, to award and deliver DFGs to enable people with disabilities to adapt their homes. If this service is not provided, the Council would be in breach of this requirement.

4.4 **Option 4**

Continue the provision of the service using the existing service provider.

The contract with the existing service provider has now ended and it would not be appropriate for the Council to simply renew the contract with the current provider.

5.0 **Corporate Implications**

Monitoring Officer Commentary

The Monitoring Officer confirms that all relevant legal implications have been taken into account as detailed in paragraph 3 above.

S151 Officer Commentary

The S151 Officer confirms that all financial implications have been taken into account.

Risk Implications

Option 1 - *proceed with the joint procurement of a service provider to deliver a Home Improvement Agency service and a Handy Person Service.*

Risks

There is a risk that one of the other councils, that MVDC is collaborating with for the procurement of this service, may decide to withdraw from the process. This may lead to an increase cost of the procurement process. This has been mitigated by the three Councils agreeing to a memorandum of understanding that details the terms on which they will work together for the joint procurement of this service and clarifies the responsibilities of each Council individually and collectively to each other.

Opportunities

There are opportunities to obtain improved value for money, efficiencies in the procurement process, better contract management and an integrated and consistent approach across the three councils and ultimately for the residents who are receiving this service.

It is highly likely that a contract which has an overall higher financial worth, and enables the supplier to resource larger volumes of work within a more practical structure, will result in a wider range of potential service providers and more competitive tenders.

Option 2 – *undertake procurement of the services as an individual council, only for MVDC.*

Risks

There is a missed opportunity for partnership working with neighbouring authorities to improve consistency in the nature and level of service provided to elderly and vulnerable residents of the three councils.

Procuring the service provider through a separate procurement exercise would be more resource intensive for each council. There is the risk that a contract with a lower financial value will attract a lower number of tenderers, and/or that the experience and quality of those tenderers will be less developed.

Opportunities

MVDC would only need to consider its own service requirements in the procurement process.

Option 3 - Do not 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 and potentially a financial risk associated with the failure to meet its statutory duty.

Opportunities

There are no opportunities identified with this option.

Option 4

Continue the provision of the service using the existing service provider.

Risks

The contract with the existing service provider has now ended and if the Council wished to continue with the existing provider, the contract would require renewal. If MVDC renewed this contract without going through the correct procurement process, it would be in breach of the Public Contract Regulations 2015 and would not be able to demonstrate value for money.

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 its approval to proceed with the procurement of this service. An Equality Impact Assessment will be undertaken as part of the procurement process. The supplier is required to provide their services in line with Equalities Legislation and this will be reflected in the Contract.

Employment Issues

There are no employment issues associated with this report but there are likely to be TUPE implications in respect of the contract award. Further details will be provided when the matter is brought back to the Cabinet.

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 will be published through a tendering portal called South East Shared Services. This portal interfaces with Contracts Finder and OJEU, and enables MVDC to meet its obligations under Public Contract Regulations 2015.

Background Papers

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