

Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	8th February 2012	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2365
TITLE:	Home Improvement Agency Commission	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1: Consultation Report		

1 THE ISSUE

- 1.1 Home Improvement Agencies (HIAs) help vulnerable people live independently by providing housing related support, such as minor repairs, handyman services, adaptations and advice. A needs analysis has shown that demand for these services will rise due to the ageing population and increasing expectations for an improved quality of life.
- 1.2 It is proposed that the existing contract is recommissioned jointly with our West of England partners. By working together we aim to meet the demands of the needs analysis by providing improved value for money and an enhanced service for residents.
- 1.3 This paper therefore seeks a decision from Cabinet to confirm the proposed approach to work with our West of England partners to commission a new West of England HIA contractor.

2 RECOMMENDATION

The Cabinet agrees that:

- 2.1 Bath & North East Somerset continues to participate in the joint competitive procurement process to secure a new West of England HIA contractor ; and
- 2.2 Confirm the delegated authority of the Programme Director for Non-Acute Health, Social Care and Housing, in her capacity as chair of the Supporting People & Communities Board, to exercise her judgement in concluding the contractual processes associated with this commission.

3 FINANCIAL IMPLICATIONS

- 3.1 Bath & North East Somerset fund the existing HIA contract to the value of £115,000 plus an additional £75,581 for the installation of handrails. Funding is through the Supporting People and the Communities commissioning programme. Further funding is provided at 10% of contract value where the HIA undertakes contract management of disabled facility grants and other improvements funded through our financial assistance programme. This is funded through Housing Services discretionary housing renewal budget.
- 3.2 In addition to an enhanced service the new commissioning is seeking to improve value for money as described in section 5 below. This will be evidenced by reduced commissioning costs and a performance stretch over the current contract. Draft financial modelling by Foundations¹ estimated conservative efficiency savings of 12% over the entire contract, equating to approximately £22,000 for Bath & North East Somerset. This comprised of management & administrative savings, a reduction in backroom support and reduced building costs. However, it is hoped that by taking a fresh perspective contractors may be able to achieve even greater efficiency savings.
- 3.3 There are currently no proposals to reduce funding, however, ultimately this will be a decision by the Supporting People and the Communities Commissioning Board taken in the context of the overall funding for the Supporting People and Communities programme to be agreed by Council at the budget meeting in February. As such it is proposed that these efficiency savings will be reinvested back into the service to meet the expected increase in demand identified by the needs analysis, thus achieving a performance stretch over the existing contract.

4 CORPORATE PRIORITIES

- 4.1 A successful and effective HIA will contribute to the following corporate priorities:
- Building communities where people feel safe and secure
 - Promoting the independence of older people
 - Improving the availability of Affordable Housing
 - Addressing the causes and effects of Climate Change

5 THE REPORT

- 5.1 HIAs help vulnerable people live independently by providing housing related support, such as minor repairs, handyperson services, adaptations and advice. The core customer groups for HIAs are disabled, elderly and otherwise vulnerable households across all tenures, although the focus is on owner occupiers. The service is means tested: provided free to those on benefits with a modest charge levied for those who can pay. HIAs also provide services through self-funding options to non-vulnerable households.
- 5.2 HIAs help meet both local and national strategic aims, such as maximising choice and independence for vulnerable people and promoting the prevention of illness, institutional care and accidents. Thus, HIA services make a significant contribution to reducing public expenditure on acute care.

¹ Foundations – National body representing HIAs commissioned by the Department of Communities & Local Government

5.3 A sub-regional needs analysis has shown that demand for HIA services will rise due to the ageing population and increasing expectations for quality of life. There will be significant increases in older people with a limiting long-term illness, including dementia, thereby increasing age-related disability.

5.4 Following investigative meetings with Foundations the lead housing officers for Bath & North East Somerset, Bristol, North Somerset & South Gloucestershire, working with other relevant colleagues, investigated whether the business case supported the joint commissioning of a HIA service for the West of England sub-region. This is currently possible as all four existing contracts are due for renewal beginning from April 2012. In BANES, the HIA service is provided by Somerset (BANES) Care & Repair. It is run on a three year contract which ends in March 2012, though with the ability to extend the contract by 2 years. Somerset Care & Repair is believed to be the fifth contractor to operate the service that began with an in-house Council service operated by Housing Services approximately 15 years ago.

5.5 The business case highlighted the following key potential benefits for commissioners and service users of operating sub-regionally:

(1) Financial Benefits

- Savings in procurement costs. With an increasing complex and hostile procurement environment these costs are increasing. By working in partnership with other authorities we make significant savings.
- Economies of scale in the commissioned service associated with the reduction in back room duplication, particularly around governance, management, IT and other professional support costs.
- Reduced contract management costs, through less duplication by the contract and field officers of the 4 authorities.

(2) Non-Financial Benefits

- A larger contract value is likely to interest more potential providers, thus generating greater competition. The increase in bidders would also improve the sustainability of the sector reducing the likelihood of only a single or even no bidders for a single authority commission.
- A larger contract value would provide the economies of scale to develop services which may prove unviable for a single authority.
- It is potentially more effective for a single provider to market themselves across the sub-region, particularly given that referrers, such as client's children & siblings may live out of district though within the sub-region.

5.6 The commission will be based upon existing contracted services which facilitate independent living including:

- Housing related information and advice;
- Casework, advocacy & support for housing maintenance, improvements & adaptations
- Project co-ordination & technical support for housing maintenance, improvements & adaptations
- Handyperson service

In addition the commission will include service enhancements around housing options advice; urgent repairs service to align with our recent changes in the Housing Renewal Policy; improved local presence and a housing hazard check linked to the housing health & safety rating assessment.

- 5.7 Consideration is being given to whether this commission should also include the Independent Living Centre (ILC) contract. This is currently located in Fishponds, Bristol and utilised by all four authorities to varying degrees. ILCs help disabled people improve their mobility through the “hands-on” demonstration of products and equipment that can help them in their daily lives. ILCs can also be used as one-stop assessment centres, combining HIA services and product testing with a local authority’s statutory responsibilities for adaptations. This is an aspect which is proving potentially attractive to our West of England partners. However, given our limited contribution to the ILC funding (5% of sub-regional funding) this is not at present a high priority. However, this could present service development opportunities for the future.
- 5.8 The Bristol and Bath & North East Somerset procurement partnership have been used as our procurement advisors. It is proposed that a framework agreement is utilised. A framework agreement is an ‘umbrella agreement’ that sets out the terms under which individual contracts, known as call-offs, can be made throughout the period of the agreement. The terms include those related to service outcomes, quality standards, price, etc. As such framework agreements are not in themselves procurement contracts. The actual procurement contract will be between Bath & North East Somerset and the contractor based upon the terms detailed in framework. The terms are currently being agreed between the partners. This has the benefit of achieving economies of scale whilst maintaining an element of contractual independence.
- 5.9 In addition the contract allows for scalability where funding could be increased or decreased through the life of the contract or indeed additional services such as those provided to another partners, for example ILC or enablement services, purchased at a later date at an agreed price if required. Whilst the final contract has not yet been finalised the author will require that it includes the standard clause used by Bath & North East Somerset, or a similar clause, which states that the Council reserves the right to terminate the agreement where the local Supporting People panel has insufficient funds to continue to purchase the service. Service Providers will be given six months notice. This is common practice in Supporting People contracts and has been enacted from time to time without penalty consequence.
- 5.10 It is proposed that the procurement process begins on the 13th February with the issuing of the Prior Qualifying Questionnaire (PQQ) with a contract award anticipated by mid-June 2012. The nature of the sign off varies according to authority. In Bath & North East Somerset this is through the Supporting People & Communities Commissioning Body. The successful contractor will be chosen by a panel comprising of all four Councils.

6 RISK MANAGEMENT

- 6.1 The report author and Lead Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance. These include both the

risks associated with the implementation of the recommended decision and those associated with not making this decision.

7 EQUALITIES

7.1 An equalities impact assessment has been completed on the proposal. The core objective of this proposal is to improve the housing & health conditions of low-income, elderly and disabled residents living in substandard or inadequate housing and thus address the current adverse impact on these two groups.

7.2 There are a number of trends which could increase the need for HIA services in the future for particular groups, including:

- an increasing number of single older person's households;
- high numbers of older females living alone;
- high proportions of older people as owner occupiers;
- significant growth in the number of older people with learning difficulties;
- a small though increasing older BME population;
- significant increases in older people with a limiting long-term illness;
- increasing numbers of older people with dementia.

7.3 The public sector equality duty aims will be addressed by:

- incorporating public sector equality duties into the contract;
- shortlisting suitable organisations with appropriate equal opportunities policies and histories;
- asking in method statement questions how potential providers will ensure that these aims are delivered ;
- selecting a suitable provider to deliver the contract;
- monitoring service delivery including the public sector equality duty.

8 RATIONALE

8.1 The needs analysis indicates that demand for HIA services will increase during the period of the contract. The recommended decision gives the Council the ability to meet this increased demand within existing budgets whilst also providing an enhanced service. It is hard to see how any other commissioning option would deliver this outcome for the Council and service users.

9 OTHER OPTIONS CONSIDERED

9.1 Do nothing

This is not an option. The rail contract has already been extended to June 2012 and obtaining further extension could be problematic in relation to complying with procurement legislation. As such this contract needs to be procured soon. The HIA contract comes to an end in April 2012 but has the potential to be extended by 2 years. However, it is considered beneficial that the HIA & handrail contracts should be jointly commissioned given the overlap between client group and contractor skill set. As such if we did not go with the West of England partnership option we would be forced to separately commission these contracts, the handrail one immediately and the HIA next year. At this point the other West of England partners would have secured their HIA services and so we would need to recommission these contracts on a Bath & North East Somerset only basis.

9.2 Procure separate provision

This option is unlikely to deliver the value for money improvements that accrue from working collaboratively. Hence in light of the expected increase in demand for services over the length of the contract and given the current financial pressures this option is not recommended.

10 CONSULTATION

10.1 Ward Councillor; Parish Council; Overview & Scrutiny Panel; Other B&NES Services; Service Users; Local Residents; Community Interest Groups; Stakeholders/Partners;

10.2 Extensive consultation has been undertaken which has included publishing the draft commissioning strategy and three separate questionnaires developed for use by service users, partner organisations or potential providers. They were published on the 5th October 2011 and were made available until the 28th December, ensuring compliance with the various local authority voluntary sector compacts. Awareness of the consultation was achieved through a combination of general publicity; a drop in event in each Council area; emailing links to partners and writing to a number of past and present HIA clients. In addition Bath & North East Somerset also took the decision to make contact with a number of past and potential services users by telephone. Finally the proposal was taken to the Wellbeing Policy Development & Scrutiny Panel on the 18th November seeking their view.

10.3 The consultation report is attached in Appendix 1. Over 3,000 survey responses were received from older people, disabled people and carers. Nearly 70 survey responses were received from other stakeholders such as voluntary groups, council staff, councillors and agencies. Ten written submissions were received including from Equality Bath & North East Somerset. In summary there is strong support for a sub-regional commissioning approach from stakeholders and providers. However, a large number of older people, disabled people and carers, the majority of whom are past or existing HIA clients do not want the current arrangements to change. Fewer numbers of older people, disabled people and carers, although still a large number, have no concerns about the proposals as long as the service continues to deliver the current high standards. In essence clients across the region have received a good service and they want that to remain. This reflects the high value that service users place in HIA services. It therefore important that the proposed procurement process and contractual arrangements capture the qualities that service users value, select the most appropriate organisation and put in place robust mechanisms to address poor performance.

11 ISSUES TO CONSIDER IN REACHING THE DECISION

11.1 *Social Inclusion; Customer Focus; Sustainability; Other Legal Considerations*

12 ADVICE SOUGHT

12.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

Contact person	Graham Sabourn, Associate Director (Housing)
Sponsoring Cabinet Member	Councillor Simon Allen
Background papers	None
Please contact the report author if you need to access this report in an alternative format	