

Report of Head of Planning and Local Development

Home Improvement Agency Procurement

1 Purpose of report

1.1 This report is to seek approval to procure a Home Improvement Agency (HIA) service to allow the statutory delivery of the Council's disabled facilities grants.

1.2 This report relates to the corporate priorities of;

- a) Improving life chances for young people
- b) Delivering efficient and responsive services.

2 Executive summary

A decision by Northamptonshire County Council to consider its funding arrangements for the provision of HIA and other housing related services in the County requires this Council to re-procure HIA services to allow the statutory delivery of the Council's disabled facilities grants. The procurement will be carried out jointly with East Northamptonshire District Council facilitated through the Council's procurement partnership with Welland Procurement Unit. In addition Northamptonshire County Council have asked to be involved in this re-procurement process.

3 Appendices

Appendix A: OJEU Timetable prepared by Welland Procurement Unit.

4 Proposed action:

4.1 **The Committee is invited to RESOLVE that delegated authority be given to the Head of Planning and Local Development and Head of Finance to progress a joint procurement with East Northamptonshire District Council for a Home Improvement Agency service supported by Welland Procurement Unit in partnership with Northamptonshire County Council.**

4.2 **The Committee is invited to RESOLVE that delegated authority be given to the Head of Finance to agree a fee of between 10-12% charged to the cost of each disabled facilities grant towards the cost of the Home Improvement Agency service.**

5 Background

- 5.1 Spire Homes 'Care and Repair' has provided a HIA service to East Northamptonshire District Council (ENDC) from 2002 and Wellingborough from 2005. The service has been commissioned through the Northamptonshire County Council (NCC) Supporting People programme and is revenue funded as follows:

NCC Supporting People	£82,685
East Northamptonshire District Council	£59,800
Borough Council of Wellingborough	£14,500 (+8% capital fee on work)
Primary Care Trust	£19,257

- 5.2 The Council has a service level agreement with Spire Homes for the provision of 'Care and Repair'. The service helps older people and those with disabilities to remain in their home by providing advice and assistance. The majority of the Council's disabled facilities grant applications are undertaken by Care and Repair through design and supervision of works and case worker support.
- 5.3 NCC Cabinet on 11 June 2013 resolved 'to delegate authority to the Director of Adult Social Care Services in consultation with the cabinet Member with responsibility for Adult Social Care to extend, vary or terminate contracts with social care prevention, as necessary to ensure appropriate continuity of support during the procurement of the any new arrangements'.
- 5.4 Supporting People funding, administered through NCC, is therefore programmed to end for Care & Repair at the end of September 2013. Following discussions with NCC it is clear that current funding can be continued at least to the end of this financial year to provide time to carry out procurement of a replacement service.
- 5.5 At this stage it is not clear how much funding NCC can contribute towards any future provision of a HIA in Wellingborough and East Northamptonshire as part of their Prevention Strategy and the Health Commissioners are considering future NHS support.
- 5.6 ENDC Policy and Resources Committee resolved at its meeting on 29 July 2013 to 'Undertake a joint procurement exercise with the Borough Council of Wellingborough to obtain a contract to deliver a HIA service utilising funding generated by the introduction of fees for each DFG application and in so doing fund the cost of any contract out of the capital DFG funding not revenue'.
- 5.7 Officers from both Councils have met with Welland Procurement Unit who advise that joint procurement of an HIA service is above the EU Procurement Thresholds and will therefore require tendering through the Official Journal of the European Union (OJEU) and a timetable for this process is appended.

5 Discussion

- 6.1 The changes to NCC commissioning require the Council to consider the implications should these resources discontinue. Officers are in discussion with Spire Homes and NCC to ensure that satisfactory transitional arrangements are put in place to maintain continuity of service to applicants for disabled facilities grants.
- 6.2. The Council has a mandatory requirement to ensure that applications for disabled facilities grants are determined within 6 months and those adaptations are carried out in accordance with the recommendations of the Community Occupational Therapy team. This work is statutorily required, meets the needs of the Council's most vulnerable residents and saves considerable additional public funding on health and care services that would otherwise be required. Therefore, the option not to undertake the processing of grants is not an option, however the way in which the service is delivered is for the Council to determine. The following are options for how the service can be delivered.
- 6.2.1 **Provide a service for administering and providing disabled facilities grants in house**

The in-house option would require additional resources to administer and manage the scheme as there are over 70 disabled facilities grants per annum. There is also a high demand for technical expertise and project management to undertake individual and complex projects which would put an impossible demand on the present team.

In addition to the technical skills a HIA service requires assistance to be given to clients to help with their application, apply for appropriate benefits and when necessary, find alternative sources of funding. This is time consuming but very specialist work. The present team would be unable to devote the time to carry out this work without significant additional resources.

- 6.2.2 **Undertake a joint procurement exercise with East Northamptonshire Council**

The advantages of jointly procuring with ENDC will be:

- a) the size of the contract will be more attractive to potential bidders, attracting more interest and therefore competition and value; and
- b) the provision of a service across the two Boroughs will enable the service to take advantage of economies of scale in setup and service support costs.

The contract will exceed OJEU thresholds and a procurement exercise will be required. This will be led by Welland Procurement Unit through an OJEU process.

A Revenue saving of £14,500 could be realised by resolving to fund Wellingborough's contribution towards the service costs exclusively through fees charged on the capital costs of the works.

6.2.3 Undertake a procurement exercise for the Borough Council of Wellingborough only

Officers have considered this option; Welland Procurement Unit has advised that a contract offered by Wellingborough on its own is likely to be less attractive because of its potential value. There may also be an issue with ENDC and Wellingborough Council tendering for the same service at the same time and therefore 'competing' for suppliers.

7 Legal powers

Housing Grants, Construction and Regeneration Act 1996 (as amended)
Localism Act 2011.

8 Financial and value for money implications

Northamptonshire County Council have confirmed they will continue funding HIA's on an interim basis beyond 30 September 2013 providing a continuous HIA service with Spire Homes throughout this procurement process.

NCC have also confirmed 'HIA functions positively contribute to the outcomes of a number of stakeholders, including health and Northamptonshire County Council. The sustainability of services has historically relied upon joint funding. Initial conversations have taken place between NCC and health and there is an agreement in principle to pool funding for future commissioning, as opposed to commissioning in isolation. Further alignment of funding and/or commissioning with NCC would help to ensure ongoing sustainability of any future provision and ensure that services are fully incorporated into local prevention pathways'.

- 8.1 At this stage it is not clear how much funding will be provided by NCC through their Prevention Strategy or from the NHS, or how long such funding may last. However, it is certain that there will be a reduction in the total figure of £101,942 a little over half of which is to provide a HIA service in Wellingborough.
- 8.2 NCC will be carrying out their own procurement of area based prevention services throughout the County between November 2013 and March 2014 which will include the requirement to provide HIA services. We are advised that those tendering for the area based services can be required to use the service selected through our own procurement process but this will require close liaison with NCC in the preparation of the project brief.
- 8.3 A decision to provide the whole of the Council's contribution towards the cost of a HIA service through a percentage charged to each scheme will save £14,500 from the revenue budget but will require an increase in the percentage charged to each scheme carried out, which in turn reduces the

capital available to carry out disabled adaptations. It should also be noted that 20% VAT is charged on any fees paid out of a DFG because the grant is paid to the client to pay for the work and therefore the Council cannot reclaim the VAT. If the Council makes a direct payment from a revenue budget for services any VAT can be reclaimed.

- 8.4 In view of the withdrawal of revenue it will be necessary to increase the fee charged for each DFG from 8% to between 10-12%. The exact amount will depend on the allocation of NCC and NHS resources.

7 Risk analysis

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
Failure to provide an effective HIA service	The needs of disabled residents will not be met. Council staff will not be able to cope with the demand for DFG and other statutory duties.	Very likely	Provide an effective HIA service.
Inadequate capital resources to meet the Council's statutory obligation to approve DFGs	Local residents in need of adaptations will not receive them - increased accidents and injury, increased need for hospitalisation, blocking of beds and residential care.	Likely	Allocation of adequate budget to meet demand for Disabled Facilities Grant.

8 Implications for resources

There are implications arising for staff who will be required to project manage the OJEU process and support Welland Procurement Unit with information and be part of an evaluation panel. There may be costs associated with advertisement and the tender process. The costs will be met from within existing budgets and existing staffing resources.

9 Implications for stronger and safer communities

The provision of a HIA service ensures people can remain in their homes reducing the incidences of hospital stays and provides the enablement from

hospital to home. Providing adaptation services reduces the demand for allocation of new homes and the provision of intensive care and support in residential care settings.

10 Implications for equalities

The provision of an effective service to support applications for disabled facilities grant enabling local residents to maintain their independence has a positive impact on equalities within the Borough.

11 Author and contact officer

Clive Culling, Assistant Principal Housing Officer

12 Consultees

Richard Micklewright, Director of Finance
Terry Wright, Director of Services
Steven Wood, Head of Planning and Local Development
Liz Elliott, Head of Finance
Vicki Jessop, Principal Housing Manager
Tony Meadows, Commissioning Manager NCC
Clare Ellis, Welland Procurement Officer, Welland Procurement Unit
Samantha Knowles, Principal Finance Manager
Jenny Walker, Environmental Protection Manager, East Northamptonshire Council

13 Background papers

Northamptonshire County Council, 11 June 2013, Cabinet, Prevention Strategy for Adult Social Care Services, Agenda Item No. 11 (a)

East Northamptonshire Council, 29 July 2013, Policy and Resources Committee, Care and Repair Services, Agenda Item 11

APPENDIX A

Borough Council Wellingborough/East Northamptonshire Council Care and Repair Service Tender Timetable (OJEU)

Action No	Action	By Who	By When
1	Agree Procurement Process	BCW/ENC	18 th Sept 2013
2	Draft Specification	BCW/ENC	27 th Sept 2013
3	Draft PQQ Documents	CE	27 th Sept 2013
4	Approve PQQ Documents	BCW/ENC	4 th Oct 2013
5	Post OJEU Notice	CE	4 th Oct 2013
6	Issue PQQ	CE	8 th Oct 2013
7	Draft Tender documents	CE/BCW/ENC	31 st Oct 2013
8	Approve Tender documents	BCW/ENC	15 th Nov 2013
9	Last date for submission of questions	Bidders	11 th Nov 2013
10	Last date for response to questions	CE/BCW/ENC	12 th Nov 2013
11	PQQ Closing Date	Bidders	19 th Nov 2013
12	PQQ Evaluations	CE/BCW/ENC	31 st Dec 2013
13	Issue Tender	CE	6 th Jan 2014
14	Last date for submission of questions	Bidders	28 th Feb 2014
15	Last date for response to questions	CE/BCW/ENC	3 rd Mar 2014
16	Tender Closing Date	Bidders	7 th Mar 2014
17	Tender evaluations	CE/BCW/ENC	21 st Mar 2014
18	Provider Interviews (if required)	BCW/ENC	28 th Mar 2014
19	Notification of award	CE	31 st Mar 2014
20	10 day standstill starts		1 st April 2014
21	10 day standstill ends		15 th April 2014
22	Award Contract	BCW/ENC	16 th April 2014
23	New Contract starts		1 st May 2014

