1. **SUMMARY**

1.1 This report seeks permission to award a four (4) year contract (with the option of a 2 year extension) for Home Improvement Services (HIA) to Metropolitan Housing Trust commencing 1st April 2016.

1.2 Delivery of major adaptations is a statutory service, and as such the council has engaged a robust procurement exercise to implement an effective and efficient service.

1.3 Following a review of major adaptations in 2014, the decision was taken to redesign the HIA service offer to reduce the duplication between the contractor and the council, and hence both reduce the cost of delivery and improve customer satisfaction.

1.4 New processes include demand management through early assessment to allow customers to make informed choices about alternatives, including moving home or paying for their own preferred solution.

1.4 The service re-design ultimately seeks to implement a leaner, more effective and efficient service.
2. RECOMMENDATIONS

2.1 For the reasons set out in this report, Cabinet is recommended to agree the award of a four (4) year contract (with the option of a 2 year extension) for Home Improvement Services to Metropolitan Housing Trust commencing 1st April 2016.

3. PROPOSALS

3.1 The Service

3.1.1 In response to a review of the delivery of major adaptations to resident’s homes, LB Waltham Forest commissioned the previous Home Improvement Agency (HIA) provider to deliver a one-year contract for an integrated end-to-end service for customers, to improve service delivery and outcomes, and meet the requirements of the Better Care Fund. This interim arrangement will expire on 31st March 2016 and allowed time for the procurement of a new longer term contract.

3.1.2 Following a robust procurement exercise, conducted under the Public Contracts Regulations 2015 and in-line with the Council’s Contract Procedure Rules the new contract is scheduled to commence 1st April 2016.

3.1.3 With reference to the tender process, the service specification provided the scope of required services with a particular focus on: prevention of escalating needs; support to customers with long-term conditions; and effective reablement with a personalised approach. The winning bidder has met expectations of being informed, creative and innovative in achieving the identified outcomes for the provision of Home Improvement Agency Services.

3.1.4 The service specification will be subject to continuous review throughout the life of the contract. It may be amended (as required) in consultation between the Council and the Provider. It is a requirement for the Provider to be flexible in implementing any further changes to the delivery of services as a result of these reviews and amendments, as well as being committed to achieving success in all aspects of performance outcomes to enhance service delivery.

3.1.5 Governance frameworks which include clear reporting systems, regular reviews and practice audits are imbedded within the new service specification. This will be monitored as part of the performance management framework for commissioned services.

3.1.6 During the life of the contract, the Provider will work with the Council to manage resources effectively and to identify opportunities for future efficiencies and savings.

3.1.7 The competitive tendering process secured 35 initial expressions of interest at the initial proposal stage. On the bid submission deadline
3.1.8 A detailed breakdown of the evaluation is set out in Appendix A. Based on the evaluation scores, it is recommended that Metropolitan Housing Trust be awarded the Home Improvement Agency Services contract for four (4) years (with a possible 2 year extension) commencing on 1st April 2016.

3.2 Changes to Provision

3.2.1 LBWF has previously commissioned a Home Improvement Agency service for residents who require adaptations to their homes. For 2015/16, the contract includes grant administration and Occupational Therapy assessment services.

3.2.2 Handyperson services which were previously commissioned with major adaptations will in future be commissioned separately and the HIA Provider will be expected to work closely with the new service to promote home safety, minor repairs, and minor adaptations.

3.2.3 The appointed Provider will continue to develop the new, integrated service, with a clear focus on prevention, and on demand management.

3.2.4 From April 2016, initial advice and information to enquirers will be provided through an integrated Advice and Information hub, which will address people’s needs where possible, and where necessary signpost them to a range of services provided by statutory and voluntary sector partners. The HIA will need to work closely with the Hub, to ensure that the initial advice provided is effective, and to refer customers back to them for alternatives to adaptation, or additional support services such as debt advice.

3.2.5 Options advice is now being offered by the HIA, and this area needs further development to ensure that customers are supported to explore all options, including moving, as alternatives to adaptation, and to make informed choices based on their personal circumstances.

3.2.6 Key aspects of the model include:

- Ensuring alternatives to home adaptation are fully explored, and customers given information on costs, waiting times, etc in order to make informed choices.
- Developing targeted services which reach out to those most at risk, in order to offer preventative services (including but not limited to, falls prevention)
- Purposeful interventions which are properly assessed, planned, managed, measured, reviewed and adapted to peoples’ individual needs.
- Making best use of Council-owned properties through a full assessment of the appropriateness of adaptation, and direct links to services offering alternatives.
- Increasing the levels of co-production with service users, friends, family and other stakeholders.
- Having direct links with wider services, including housing and information and advice services.

3.2.7 The Provider will be expected to develop services which are flexible and prepared for any new emerging trends; ensuring services can meet changing needs.

3.3 Service Outcomes

3.3.1 The Provider is required to work in partnership with commissioners, partners and stakeholders, contributing to the following outcomes. The Provider is expected to consider all opportunities to develop the aims of the service outcomes

- Increased percentage of older people and disabled people able to live independently in the home of their choice.
- Increased independence for customers.
- Reduction of delay in the need for paid-for-care services
- Increased engagement with family and wider community.
- Improved wellbeing (including mental health and physical health) of service users.
- Reduction in average cost of adaptations.
- Increase in numbers of customers helped to find alternatives, including support to move to suitable accommodation.

4 OPTIONS & ALTERNATIVES CONSIDERED

4.1 A number of alternatives to a full OJEU procurement have been considered. Rejected options are listed below along with the reasons for rejection.

(a) Provide the Service in-house: It is not cost effective for the in-house unit to invest in specialist market knowledge.

(b) Pre-tendered Framework Agreement: No suitable frameworks were available via the Crown Commercial Service and other buying organisations. Additionally, it should be noted that this is a unique area of provision, where Providers are required to be registered with Foundations (the HIA national advisory body)
5 SUSTAINABLE COMMUNITY STRATEGY PRIORITIES
(AND OTHER NATIONAL OR LOCAL POLICIES OR
STRATEGIES)

5.1 As part of the tender evaluation process, bidders were required to submit method statements detailing:
- How they will ensure Best Value, Continuous Improvement and Innovative service provision.
- How they will engage with the wider community.
- What they will do to support and promote local labour in their use of contractors.
- This category titled ‘Community Benefits’ was evaluated against a weighting of 12%.

6 CONSULTATION

6.1 There is a limited market, with some suppliers having exited the market in recent years, choosing to focus on their core business areas, namely housing. Foundations, the HIA national advisory body, contracted by CLG, agreed to contact potential providers during the initial advertising period, as part of the consultation process.

6.2 The evaluation process was conducted by a cross-functional panel with officers from Housing, Care Management, Occupational Therapy, Finance, with support from Procurement.

6.3 This contract is a transfer of an undertaking within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) and any staff would transfer with their existing employment rights to the new provider. Staff transferring must be properly consulted about any transfer and the relevant information was provided to all bidders as part of the tender process.

7 IMPLICATIONS

7.1 Finance, Value for Money and Risk

7.1.1 The value of the contract over the first four year is £1,865,700

The configuration of the contract value is as follows:

- Year 1 £453,000
- Year 2 £463,700
- Year 3 £470,900
- Year 4 £478,100
7.1.2 Based on the current spend, the contractor will be responsible for managing capital expenditure of approximately £1,536,000 per annum. Capital expenditure is provided through the Community Care Assessments (CCA) Grant - £711,000 and Disabled Facilities Grant (DFG) - £825,000 for 2015/16.

7.1.3 DFG forms part of the Better Care Fund and is a joint responsibility with the CCG. It is proposed that the contract sum is shared between commissioners which are Adult Social Care, Housing (HRA) and Clinical Commissioning Group but this will be subject to negotiation.

7.1.4 The handyperson service which accounted for approximately £50k of the 2015/16 contract value has been removed from the new HIA Contract and will be subject to a separate commissioning process.

7.1.5 Overall savings cannot be measured with absolute accuracy due to the uncertainty of case-load requirements over the life of the contract. However, cost efficiencies will be achieved by the proposed contract fee. This arrangement does place a cap on the cost of managing the contract and increases the available funding for capital works by £700,000 over the term of the contract. This proposed new fee arrangement will also improve the percentage ratio of the management fee to capital works from 41.5% to 30%.

7.1.6 The Provider will engage in demand-management, to seek to maximise the effectiveness of limited capital resources. This will be achieved through options advice with customers, to explore alternatives to grant including:

- customer funded services, where customer wants a quicker solution than the Council can provide
- use of assistive technology and equipment
- support to customers to consider moving, and referrals to Council / other agencies to find appropriate accommodation
- more effective procurement to reduce the average cost of adaptations
- working with the Council to develop a better evidence base on the effectiveness of different interventions, so resources can be targeted more (e.g. quicker access to those adaptations most likely to reduce falls)

7.1.7 The Provider is required to administer these programmes carefully, and within specified budgets, such that

- Any approvals are made in line with legislation, and offer good value solutions
- Effective procurement is used to reduce the capital cost of works
- Budgets are carefully monitored on a monthly basis, and commitments are reported to the Board to allow decisions to be taken about the rate
at which further works are approved, as budgets come under pressure. Reporting to include

- Actual expenditure i.e. paid over to contractors / number of grants this concerns
- Amount committed on works which have been contractually commissioned/ number of grants this concerns
- Amount committed in principle for grants that are in progress/ number of grants this concerns
- Numbers of cases where re-approvals over 10% have been approved by Council, and amounts
- Average cost of works
- Average cost of adaptations by type (e.g. stair lift)
- Volumes of cases waiting, at different stages of the process.
- All such reporting to show DFG and CCA cases separately, against separate budget totals.

7.2 Legal
7.2.1 The Council provides disabled facilities grants in accordance with Part 1 of the Housing Grants, Construction and Regeneration Act 1996 (as amended). Under the Regulatory Reform (Housing Assistance) England and Wales Order 2002 the Council may provide assistance for the purposes of improving living conditions in its area but the power to provide such assistance can only be exercised if the Council has adopted a policy for such assistance.

7.2.2 The procurement of the new HIA Service has been subject to a full OJEU Open Tender process, compliant with Public Contract Regulations (PCR) 2015 and the Council’s Contract Procedure Rules.

7.2.3 The recommended Provider is accredited by Foundations, holding the Quality Mark for HIA Services.

7.2.4 The recommended Provider must operate according to safeguarding principles for vulnerable adults and children. The Provider has clear safeguarding arrangements in place, and will feed into Waltham Forest’s Multi Agency Safeguarding Hub (MASH) process as appropriate.

7.2.5 Delivery of major adaptations is a statutory service, which will be discharged through this contract.

7.3 Equalities and Diversity
7.3.1 The equalities screening concluded that the decision sought did not identify any potential negative impacts upon protected groups as is indicated in Appendix B. The provider identified will ensure that the service outcomes as outlined in paragraph 3.3 are met. Those
service outcomes are aimed at increasing the percentage of elderly and disabled people being able to live in their own homes. All aspects of the service will be sensitive to individual needs of service users including the appropriate recognition in meeting cultural, religious and linguistic needs, as well as needs associated with physical, sensory and learning disabilities.

7.3.2 The appropriate Equalities Assessment has been completed to support this contract award.

7.4 Sustainability (including climate change, health, crime and disorder)

7.4.1 The Provider will need to balance procurement savings with working with local construction firms. This criterion has been evaluated at the tender process. The new HIA Service will “help all our residents enjoy a good quality of life” whilst enabling those who have had their quality of life impacted by disability, to engage fully in community life – adaptations that support people to live independently, wash, cook, and go out of the house.

7.4.2 It will also help the work to “support affordable housing for everyone’s needs” – by adapting Council housing to meet the needs of current (and future) occupiers, by providing support to Council tenants to make the decision to move to more suitable affordable housing, and by adapting owner-occupied housing that is affordable to the current occupier to meet their disability-related needs.

7.5 Council Infrastructure

7.5.1 The Provider must use The Council’s Social Care IT system, currently Framework I to record all referrals/assessments/applications and outcomes. Framework I must be updated regularly so that up-to-date information on case progress is available to other members of the care and support services.

7.5.2 The Council will make Framework I available to the Provider, through a VPN link (or other suitable alternative mechanism), will allocate appropriate permissions and will provide training to staff. On-going IT issues with the system will be supported by the Council’s IT team.

7.5.3 The Provider will sign up to LBWF Information Sharing Protocol (ISP).

7.5.4 The Provider has an Information Governance Structure in place and is Public Sector Compliant, and will be required to sign up to LBWF Service Specific Protocol and Data Processing Agreement.

7.5.5 Data related to LBWF grant applicants, which is captured and recorded by the provider, will remain the property of LBWF.
BACKGROUND INFORMATION (as defined by Local Government (Access to Information) Act 1985)

List of documents used to prepare this Report.

- HIA - Strategic Business Case – July 2015