

| Report of   | Meeting           | Date      |
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| Deputy Chief Executive/Director<br>(Early Intervention and Support)<br>(Introduced by the Executive<br>Member (Home and Housing)) | Executive Cabinet | 16/1/2020 |

## **LANCASHIRE COUNTY COUNCIL SERVICE CHANGES AFFECTING HOME IMPROVEMENT AGENCY (HIA) SERVICE DELIVERY**

### **PURPOSE OF REPORT**

1. To advise Executive Cabinet of the cessation of the Integrated Home Improvement Service (IHIS) which is funded by Lancashire County Council (LCC).
2. To seek approval from Executive Cabinet to accept the offer of a Collaboration Agreement from LCC to deliver Minor Aids and Adaptations (a statutory LCC service) with effect from 1<sup>st</sup> April 2020 for a three-year period to 31<sup>st</sup> March 2023, with an option to extend until 31<sup>st</sup> March 2025.
3. To seek approval from Executive Cabinet to conduct a procurement exercise to enable the Council to appoint a sub-contractor to deliver the Minor Aids and Adaptations service in Chorley, and for the appointment decision to be delegated via an Executive Member Decision (EMD) to the Executive Member (Home and Housing).
4. To advise Executive Cabinet of LCC's intention to withdraw from the supply and maintenance of lifting and other equipment provided under Disabled Facilities Grant, and to set out the implications of this for the Council in terms of future arrangements for the supply and maintenance of equipment.

### **RECOMMENDATION(S)**

5. Executive Cabinet are requested to note the cessation of the IHIS service with effect from 31<sup>st</sup> March 2020.
6. Executive Cabinet are requested to approve the recommendation for the Council to enter into a Collaboration Agreement with LCC in respect of the Minor Aids and Adaptations service, to take effect on 1<sup>st</sup> April 2020.
7. Executive Cabinet are requested to approve the recommendation for the Council to conduct a procurement exercise to appoint a sub-contractor to deliver the Minor Aids and Adaptations contract. The procurement will be classified as 'High Value' and would be conducted via The Chest in accordance with the scoring methodology applied in 2016 when the Minor Adaptations service was last tendered.
8. Executive Cabinet are requested to give delegated authority to the Executive Member (Resources) to approve the appointment of a sub-contractor following the procurement exercise.

9. Executive Cabinet are requested to note LCC’s intention to withdraw from the supply and maintenance of lifting and other equipment which is provided to applicants for Disabled Facilities Grant.
10. Executive Cabinet are requested to permit Officers to explore alternative arrangements, including framework options, for the supply and maintenance of lifting and other equipment. It is further recommended that a decision on the future arrangements for the supply and maintenance of lifting equipment is to be the subject of an Executive Member Decision (EMD) by the Executive Member (Home and Housing).

**EXECUTIVE SUMMARY OF REPORT**

11. The report details the cessation of the LCC-funded Integrated Home Improvement Service with effect from 31<sup>st</sup> March 2020.
12. The report explains that LCC are to offer the Council a Collaboration Agreement to deliver Minor Aids and Adaptations from 1<sup>st</sup> April 2020 on an initial three year contract, and that in order to fulfil the Collaboration Agreement the Council will need to conduct a procurement exercise to appoint a sub-contractor. The report seeks permission from Executive Cabinet to go out to tender to do this.
13. The report also outlines the operational issues arising out of LCC’s recent decision to withdraw from its long-established role in the supply and maintenance of items of equipment which are eligible for Disabled Facilities Grant.

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| <b>Confidential report</b><br>Please bold as appropriate | Yes |  |
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| <b>Key Decision?</b><br>Please bold as appropriate | Yes |  |
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|---|---|---|
| <b>Reason</b><br>Please bold as appropriate | 1, a change in service provision that impacts upon the service revenue budget by £100,000 or more | <b>2, a contract worth £100,000 or more</b>   |
|   | 3, a new or unprogrammed capital scheme of £100,000 or more                                       | 4, Significant impact in environmental, social or physical terms in two or more wards |

**REASONS FOR RECOMMENDATION(S)**

14. The recommendation to accept a Collaboration Agreement from LCC in respect of the Minor Aids and Adaptations service, and the proposed procurement arrangements to appoint a sub-contractor to deliver this service, are in keeping with the established arrangements which govern the current IHIS service.
15. The Council has partnered with LCC to deliver a Minor Aids and Adaptations service successfully since July 2015 and has successfully used a sub-contractor throughout that period.

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 16. An option to decline LCC’s invitation to enter into a Collaboration Agreement was considered but rejected as it would mean that the Council would forfeit a valuable opportunity to deliver important services for vulnerable Chorley residents and would forego an opportunity to engage with such residents in a way which could provide added value.

**CORPORATE PRIORITIES**

- 17. This report relates to the following Strategic Objectives:

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| Involving residents in improving their local area and equality of access for all |   | A strong local economy  |   |
| Clean, safe and healthy homes and communities                                    | √ | An ambitious Council that does more to meet the needs of residents and the local area | √ |

**BACKGROUND**

- 18. The Council and Lancashire County Council entered into a Collaboration Agreement in July 2015 in which the Council agreed to act as LCC’s delivery agents across various IHIS activities, all of which were designed to address the prevention and early intervention agenda.
- 19. The service scope includes Minor Adaptations (a statutory function for LCC Adult Social Care), Handyperson, ‘Core’ HIA services (essentially the advice and assistance role performed by the Council’s Case worker) and a further service offer which LCC classified as ‘prevention’ activities. Under the terms of the Collaboration Agreement, the Council was able to specify how it spent its ‘Prevention’ funds. It chose to operate the Energy Switching Support Service (which is currently delivered in partnership with Citizens Advice).
- 20. The initial contract period ended on 31<sup>st</sup> March 2018, after which there have been two extensions, each comprising a further year. Under the contract terms, there can be no further extensions beyond 31<sup>st</sup> March 2020.
- 21. Since November 2018 LCC has been contemplating the termination of the IHIS service, and in June 2019 LCC confirmed that IHIS would cease on 31<sup>st</sup> March 2020. The Council (at both Officer and Member levels) submitted strong cases for retention during the consultation period earlier this year, but the proposal to terminate the IHIS service was approved.
- 22. The Council is considering options to mitigate the adverse impact of the loss of the IHIS service, and a report on this subject to a future meeting of the Executive Cabinet will follow, alongside other changes designed to help to deliver an integrated and early intervention approach to the Disabled Facilities Grant process.
- 23. The only statutory function for LCC within the suite of IHIS services is the provision of Minor Aids and Adaptations. In recent months LCC have maintained dialogue with Home Improvement Agencies (HIAs) and District Councils across Lancashire whilst devising proposals to ensure LCC’s ability to fulfil its statutory functions with effect from 1<sup>st</sup> April 2020.

**MINOR AIDS AND ADAPTATIONS**

- 24. On 7<sup>th</sup> November 2019 LCC Executive Cabinet approved a proposal to approach Chorley Council to invite Chorley HIA to commit to a Collaboration Agreement to act as LCC’s delivery agent for Minor Aids and Adaptations on an initial three-year period starting on 1<sup>st</sup> April 2020, extendable by a maximum of two further years to 31<sup>st</sup> March 2025.

25. The Council has sub-contracted the Minor Aids and Adaptations service throughout the period of the existing Collaboration Agreement. The Council's existing contract with its sub-contractor, Mobility Care Services, expires on 31<sup>st</sup> March 2020.
26. On 4<sup>th</sup> December 2019 LCC confirmed that, under the proposed terms of the Collaboration Agreement, in 2020/21 the Council will receive from LCC a payment of £113,868 in four quarterly instalments.
27. This sum is calculated from population, age, falls data and activity volumes for 2018/19. Given that Minor Aids and Adaptations is a demand-led service area, there will be an appropriate clause in the Collaboration Agreement should the number of referrals exceed this sum.
28. A key difference in the proposed arrangements for 2020/21 and beyond is that unlike in the current system where LCC have set tariff rates for various minor adaptation items (and the Council have derived financial benefits from this by appointing a sub-contractor to whom we pay lower rates), under the revised block payment arrangements, it will be the Council's responsibility to manage those resources prudently to ensure that (a) there are sufficient funds to deliver the work which LCC send and (b) to do so in a financially advantageous way for the Council.
29. The sub-contracting arrangements in place since 2015 have been effective not only in providing a high-quality service to Chorley residents but also in terms of generating revenues for the Council.
30. There are numerous advantages in accepting LCC's invitation to act as its delivery agent - not least in terms of the fact that Chorley residents who have adaptation needs can be assured that their minor and major adaptation needs are handled professionally and in a timely way by the HIA team. Also, the fact that by operating on behalf of LCC the Council receives a steady flow of customers requiring Minor Adaptations who the HIA team can potentially contact to assist with other services.
31. Another important consideration is the financial benefit which the Council is likely to derive from entering into a further Collaboration Agreement. As a result of the competitive prices which the previous tendering process generated, the tariff rates for Minor Adaptations currently payable by LCC to the Council are higher than those which the Council pays its sub-contractor.
32. These arrangements generated a surplus of £21,623 in 2018/19 so it would be reasonable to suggest that a surplus in the region of £100,000 over a contract period of five years could be achieved.
33. LCC's Senior Manager for Policy, Information and Commissioning has confirmed by email to the Council on 4<sup>th</sup> December 2019 that *"throughout the delivery of the current IHIS service, we have not had any quality, performance or value for money concerns and the service is held in positive regard. We are assured that the Collaboration Agreement offers additional value via the continuation of the Chorley HIA and wider community and equipment links"*.
34. Therefore, it is recommended that Executive Cabinet approve the proposal for the Council to conduct a procurement exercise to enable a sub-contractor to be appointed.
35. Clearly the Council's preference would be to have conducted the procurement exercise and to have an appointed contractor in place ready to start delivering the contract on 1<sup>st</sup> April 2020.

36. Circumstances have dictated that it would not be possible to commence the procurement exercise until late January 2020 and therefore it may not be possible to have an appointed sub-contractor in place by 1<sup>st</sup> April 2020.
37. If the timescale proves to be too tight to have a sub-contractor in place by 1<sup>st</sup> April 2020, the contingency plan would be to invoke Clause 34.2 of Contract Procurement Regulations (CPRs) to enable a time-limited contract extension.
38. The Council has alerted LCC to this possibility and has also had discussions with the existing sub-contractor who has indicated their willingness to continue to deliver the Minor Aids and Adaptations service on a short-term basis beyond 31<sup>st</sup> March 2020.

#### **MAJOR ADAPTATIONS: PROCUREMENT OF EQUIPMENT**

39. For around twenty years, LCC has arranging the supply, installation, removal and recycling of DFG-funded items of equipment such as stair lifts. This process has been underpinned by service users signing over the ownership of their equipment to LCC, in return for the provision of maintenance following expiration of the manufacturer's warranty, including both servicing and repairs. These arrangements cover DFG-funded equipment for both adults and children.
40. In 2016 LCC Executive Cabinet agreed that LCC would cease the maintenance of DFG funded equipment post warranty period and that the County Council would look to re-tender supply contracts to include an extended manufacturer's warranty for high volume items of DFG eligible equipment, with the supply and warranty cost charged to the DFG.
41. Although ratified by an LCC Executive Cabinet decision, the maintenance of equipment has never actually ceased as LCC stated that it did not wish to do so until re-tendered supply contracts were introduced which would include extended warranties, with the intention of offsetting the loss of the maintenance feature.
42. In September 2019 LCC advised all Districts in Lancashire that the County Council was considering ceasing to facilitate the procurement and purchasing of DFG funded equipment and to withdraw involvement in the administration process for DFG equipment, except for occupational therapy advice whereby housing authorities are required to consult the social services authority to decide whether proposed works are 'necessary and appropriate' under the Housing Grants, Construction and Regeneration Act [HGCR] 1996.
43. On 29<sup>th</sup> November 2019 LCC's Senior Management Team approved the decision to withdraw from this facilitation role, citing the following reasons:
  - a) LCC has carried out this procurement role for many years without any contribution from Districts.
  - b) LCC has no legal obligation to host supply and maintenance contracts for equipment provided via DFG.
  - c) Officer time spent procuring and administering supply contracts
  - d) LCC is accepting and taking on additional unnecessary risk in procuring and managing contracts
44. The notification from LCC did not confirm the date on which their withdrawal will take effect, but, until the timeframe is confirmed, the Council is assuming that LCC's withdrawal will be with effect from 1<sup>st</sup> April 2020.
45. The items which are currently covered by LCC's procurement and supply contracts include stairlifts, Through Floor Lifts, specialist baths, 'Geberit' wash-dry WC's and 'Clos-o-mat' wash-dry WC's.

- 46. Stairlifts, Through Floor Lifts and ‘Geberit’ WC’s are all items for which the HIA team receive regular referrals, so it is important that alternative cost-effective procurement options are examined and revised processes established so that customers are not disadvantaged by the transition from procurement arranged by LCC to procurement directly facilitated by the Council.
- 47. At the time of writing the HIA and Procurement departments are examining procurement framework options for the relevant items of equipment. The Lead Officer at South Ribble Borough Council has indicated that they would be interested in working collaboratively to secure a sustainable, value for money solution which meets both Councils’ requirements.
- 48. Once the procurement options have been assessed, it is proposed that the recommendations will be submitted as an Executive Member Decision (EMD) for the Executive Member (Home and Housing).

**IMPLICATIONS OF REPORT**

- 49. A risk exists that the proposed funding provided by LCC in 2020/21 for the Minor Adaptations Service (£113,868) will not generate significant surpluses for the Council if the Council’s procurement exercise to appoint a sub-contractor is insufficiently robust.
- 50. Given the lack of definitive current information as to the timeframes for LCC’s withdrawal from its procurement role in respect of lifting and other equipment, a risk exists that the Council would not have sufficient time to establish alternate arrangements before LCC withdraws.
- 51. This report has implications in the following areas and the relevant Directors’ comments are included:

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| Finance                                  | ✓ | Customer Services                      |  |
| Human Resources                          |   | Equality and Diversity                 |  |
| Legal                                    |   | Integrated Impact Assessment required? |  |
| No significant implications in this area |   | Policy and Communications              |  |

**COMMENTS OF THE STATUTORY FINANCE OFFICER**

- 52. As stated in the report the only statutory function for LCC within the suite of IHIS services is the provision of Minor Aids and Adaptations. The 2020/21 budget has been updated to account for the LCC payment of £113,868. Although the sub-contracting arrangements could lead to a surplus being generated by Chorley Council, the budget will assume a break-even position until the final outcome is known.

**COMMENTS OF THE MONITORING OFFICER**

- 53. The form of the Collaboration Agreement is likely to be fixed by LCC but will be reviewed by Legal Services prior to signing. The proposed procurement exercise is appropriate for this matter and it is noted it has been approved before and has been fit for purpose.

CHRIS SINNOTT  
 DEPUTY CHIEF EXECUTIVE/DIRECTOR (EARLY INTERVENTION AND SUPPORT)

| <b>Background Papers</b>                 |                               |   |
|--|-------------------------------|---|
| <b>Document</b>                          | <b>Date</b>                   | <b>File</b>   |
| LCC Executive Cabinet Procurement report | 7 <sup>th</sup> November 2019 | <a href="http://council.lancashire.gov.uk/mgAi.aspx?id=70212&amp;LLL=0">http://council.lancashire.gov.uk/mgAi.aspx?id=70212&amp;LLL=0</a> |

  

| <b>Report Author</b> | <b>Ext</b> | <b>Date</b>                    |
|----------------------|------------|--------------------------------|
| Martin Sample        | 5704       | 18 <sup>th</sup> December 2019 |

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