

Report of	Meeting	Date
Director of Customer and Advice Services (Introduced by the Executive Member for Customer and Advice Services)	Executive Cabinet	20 th November 2014

LANCASHIRE COUNTY COUNCIL: RECOMMISSIONING OF INTEGRATED HOME IMPROVEMENT SERVICES (IHIS)

PURPOSE OF REPORT

1. To advise Executive Cabinet of Lancashire County Council's (LCC) intention to recommission Home Improvement Services, and to seek approval for the Council's Home Improvement Agency (HIA) to accept LCC's invitation to enter into a partnership arrangement to deliver this service on their behalf in Chorley from April 2015.

RECOMMENDATION(S)

2. Executive Cabinet is requested to approve a recommendation for the Council to accept LCC's offer of a partnership arrangement to deliver the IHIS service in Chorley (contract area 3) from April 2015, on an initial 3 year term to 31st March 2018, with an option to extend for an additional 2 years to 31st March 2020.
3. Executive Cabinet is requested to approve a recommendation for Officers to investigate the feasibility of the Council tendering for the IHIS service in contract area 4, which comprises West Lancashire, South Ribble and Preston. Exploring the potential for such an opportunity would include dialogue with Preston Care & Repair (with whom we already work closely as our existing Handyperson provider) as potential partners in a joint bid for this contract.

EXECUTIVE SUMMARY OF REPORT

4. LCC are re-tendering the IHIS service with a view to awarding contracts from April 2015. LCC have confirmed that in Districts which already have 'in-house' Home Improvement Agencies delivering the service which are accredited by Foundations (<http://www-foundations-uk-com-hia-search>) - such as Chorley - there will be no requirement to tender and that HIAs in such areas will be invited to deliver the service on a "partnership basis".
5. The report describes the services which LCC are expecting providers to deliver. The HIA is already delivering some of these services (either directly or via sub-contractors). However, there are other elements of the service which are not currently delivered by the HIA and for which it would be necessary to gear up in order to be in a position to deliver by April 2015.

Confidential report Please bold as appropriate	Yes	
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Key Decision? Please bold as appropriate	Yes	
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Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	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)

(If the recommendations are accepted)

6. Accepting the IHIS contract will enable the Council – through the HIA - to continue to directly deliver a holistic service to some of the most vulnerable members of the community.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

7. An option of declining LCC’s offer to enter into a partnership agreement to deliver the IHIS service was considered and rejected. To decline LCC’s offer would have meant loss of funding to the HIA. It could have also compromised the Council’s position in the sense that its ability to influence and direct the activities of the delivery agent would be reduced if that role was not performed by the HIA.

CORPORATE PRIORITIES

8. This report relates to the following Strategic Objectives:

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

BACKGROUND

9. LCC have embarked on a project to achieve what they describe as *Integrated Home Improvement Services*. Their explanation for moving towards this approach is as follows:

- Currently there is no consistent offer across the 12 Districts of Lancashire.
- The financial context of reducing budgets (LCC are aiming to achieve savings of £300 Million over the period 2013 to 2017) means that LCC wish to ‘*make the best use of the resources that are available to maintain quality services which address the needs of our communities*’.

- LCC want to see services that are well-co-ordinated, targeted at those in need and as efficient in their delivery as possible. They want the same offer for people no matter where they live in Lancashire.
 - LCC want to commission services in lots or contract areas which, as far as possible, reflect the Clinical Commissioning Groups (CCG) footprints across Lancashire, the commitments within the Lancashire Better Care Fund (BCF) submission and which provide opportunities to work at a neighbourhood level.
10. The IHIS service 'package' consists of a number of elements, which LCC have confirmed must all be accepted by providers in order to be awarded the IHIS contract or 'partnership arrangement' in the case of in-house HIAs. It makes sense that these elements have been brought together and, coupled with DFG and energy efficiency, will provide a comprehensive offer to vulnerable members of our community.
 11. LCC's Procurement Manager has recently stated, in response to a query from HIA Officers, that *"we would expect Chorley to be delivering the services in-house. If there is a wish to subcontract the Handyperson and Minor Adaptations then I believe we would be challenged on the legality of transferring the money to Chorley and not going to tender. If Chorley do not wish to deliver all the service then we will need to go to tender for this lot"*.
 12. The IHIS service elements are as follows:
 - Healthy Homes Assessment
 - Handyperson service
 - Core HIA service
 - Minor Adaptations service
 - Retailer of small items of equipment
 13. It would appear that to comply with LCC's expectations it will therefore be necessary to directly deliver the Handyperson and Minor Adaptations service, which are likely to incur capital and revenue set up costs which are yet to be quantified.
 14. As an existing HIA service provider with a proven track record of delivery, this is an opportunity to build on our existing success and retain control of a vital service in Chorley.

INDICATIVE FUNDING FOR 2015/16

15. Applying a formula which uses various weightings including factors such as the number of residents in each District aged 65 and over, Index of Multiple Deprivation (IMD) methodology and Lower Super Output Area (LSOA) data, LCC have provided details of the anticipated budgets to be allocated to Chorley in 2015/16.
16. The outcomes are that for the Core HIA and Handyperson service for 2015/16, Chorley has been allocated £72,724, which is an increase of £16,812 on the current funding level received from LCC via its *Supporting People* budget.
17. The Council would be able to determine the percentage of this budget to be used for the core HIA service and the percentage to be used for the Handyperson service in order to meet the outcomes defined in the service specification.
18. The £72,724 proposed for Chorley includes a "preventative" funding allocation of 10% of this total amount. These funds are to be paid upfront to providers in year one, to enable

them to develop links with neighbourhoods to promote prevention and to target specific 'at risk' groups that may not meet the eligibility criteria for the Core or Handyperson service.

19. Such 'at risk' groups may vary from District to District but could include people who may need grab rails but are not eligible under the Fair Access to Care Services (FACS) criteria, and all people aged 85 and over.
20. The funding for the Minor Adaptations service is based on contract value per job based on 2012/13 data circulated by LCC. The fixed price per job will be paid regardless of the cost of the actual work.
21. Thus there may be instances when the work is carried out at a lower cost than the fixed price. Conversely the actual cost may on occasion exceed the fixed price payable.
22. Based on the 2012/13 data which LCC are using to predict expenditure on the Minor Adaptation service in 2015/16, Chorley would expect to receive a further £94,500 in 2015/16 for delivering Minor Adaptations. However, funding for the Minor Adaptation service is based on usage so it will fluctuate subject to customer demand.

POTENTIAL DEVELOPMENT OPPORTUNITIES

23. The HIA, being accredited by Foundations, is eligible to submit an expression of interest to LCC in respect of delivering the IHIS contract in other Districts.
24. Contract area 4 (West Lancashire, South Ribble and Preston) is the closest geographically to our current operational focus in Chorley, and it would be prudent to examine the feasibility of bidding to provide the IHIS service across those three Districts.
25. LCC are arranging a 'capacity building' session for potential providers in mid-November, and their Procurement team will carry out a provider briefing session towards the end of November. The Housing Team Leader (Private Sector) is to attend these sessions.
26. The tender period is expected to be from the end of November to mid-January 2015. Thus there would be an opportunity to report further to Executive Cabinet at the 11th December 2014 meeting to seek confirmation of the Council's position in respect of this matter.

IMPLICATIONS OF REPORT

27. This report has implications in the following areas and the relevant Directors' comments are included:

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

COMMENTS OF THE STATUTORY FINANCE OFFICER

28. Presently some part of the team is funded from the monies received from Lancashire County Council in respect of the Supporting People element. Therefore, any continued support is welcomed, as without it Members would need to determine if the Council would be prepared to fully fund the service. There are still some details to resolve, but the funding available will be able to cover the cost of the proposed service.
29. In respect of development opportunities, again we will need to consider the impact on resourcing and service delivery before determining whether or not to bid. However, the opportunity does exist, should the Council decide to bid, to potentially improve the resilience of the service and also deliver a contribution to the Council's overheads.

COMMENTS OF THE HEAD OF HUMAN RESOURCES

30. Subject to Member approval the councils agreed consultation process will be followed which will entail a period of pre-consultation allowing staff to make suggestions for the delivery of the partnership arrangements should the councils bid be successful. There will be a subsequent period of formal consultation once the outcome of the tendering process is known. At which time staffing proposals will be prepared and agreed for consultation with staff. Should any restructuring be necessary the agreed Restructure Policy will be followed and internal recruitment procedures will apply.

COMMENTS OF THE MONITORING OFFICER

31. The Council have legislative authority to partner with the County Council pursuant to section 101 of the Local Government Act 1972. The processes proposed within this report for the bidding of the service provision in other areas are appropriate.

LESLEY-ANN FENTON
DIRECTOR OF CUSTOMER & ADVICE SERVICES

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
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