

CHESHIRE EAST COUNCIL

CABINET

Date of Meeting:	1 August 2011
Report of:	Strategic Director – Places
Subject/Title:	Home Improvement Agencies
Portfolio Holder:	Councillor Jamie Macrae, Cabinet Member for Prosperity Councillor Rolane Domleo, Cabinet Member for Adult Services

1.0 Report Summary

- 1.1 A comprehensive review of the way in which Home Improvement Agency services are delivered to older people and disabled adults and children to enable them to maintain independent living in their own home has been carried out. This report provides an overview of the role of home improvement agencies, a summary of the review and its recommendations, and an overview of a procurement exercise carried out.

2.0 Decision Requested

- 2.1 To develop the existing in-house Home Improvement Agency service to cover the whole Borough.
- 2.2 To note that the changes to the delivery of the Home Improvement Agency services will trigger the automatic application of the TUPE regulations which will effect a transfer of a number of staff employed by the existing service providers to the Authority.

3.0 Reasons for Recommendations

- 3.1 Contracts with the existing providers cease on 31st October 2011, and the Authority needs to have a new service in place by 1st November 2011 in order to continue delivery of the Home Improvement Agency service.
- 3.2 Upon evaluation of the Tenders, a comparison was made with the cost and quality of in-house service delivery. Contracting out the service will result in a small increase in expenditure. Whilst cost is a consideration, the opportunities presented by an in-house service will give us improved scope and flexibility to align the HIA service with other health and social care services around the Independent Living Centre model as it develops, and improve the customer journey and our speed of response, thereby reducing the need and associated cost of care packages put in place by the Authority.

4.0 Wards Affected

4.1 All wards are affected.

5.0 Local Ward Members

5.1 All local ward Members.

6.0 Policy Implications including - Climate change - Health

6.1 Home Improvement Agencies (HIAs) are a key part of ensuring that older people and disabled adults and children who need help will get the assistance they need to promote their wellbeing, health and care, in line with the vision for Adult Services. HIAs form part of the adult social care process, by providing information and support for self-purchasers who are not eligible for social care support; prevention through home safety assessments and falls prevention; and reablement for people who meet the Fair Access to Care criteria for adaptations.

6.2 HIAs contribute to a number of cross cutting agendas, including reducing health inequalities, promoting independence, meeting the needs of an ageing population, making best use of the existing housing stock, reducing fuel poverty, tackling climate change through reducing domestic carbon emissions, and building safer communities.

7.0 Financial Implications (Authorised by the Borough Treasurer)

7.1 The Authority has identified funding for the HIA service over a three year contract period, as shown in the table below:

	£
Revenue – Adult Services	
Adult Services (major adaptations)	328,047
Adult Services (handyperson services)	94,500
Adult Services (minor adaptations)	270,000
Supporting People	337,833
SUB-TOTAL	1,030,380
Other Contributions	
DCLG Handyperson Grant	330,000
Central and Eastern Cheshire PCT	47,571
SUB-TOTAL	377,571
TOTAL	1,407,951

7.2 The financial implications of each of the options considered for delivering the HIA service are presented in the table below.

7.3 The two options which were considered are as follows:

- i. Option One – To enter into a three year contract with the Bidder awarded the highest score in the Tender evaluation process
- ii. Option Two – To provide a HIA service within the Cheshire East Authority

Cheshire East Home Improvement Agency service				
	Option One		Option Two	
	External HIA		In-House HIA	
	£	FTE	£	FTE
Employees	0		470,516	16.5
Premises	0		24,000	
Transport	0		20,385	
Supplies & Services	0		41,500	
Third Party Payments*	473,072	15.0	0	
Central Support Costs	0		25,156	
Other Management Overheads	0		16,720	
Total Expenditure	473,072		598,277	
Fees and Charges	0		(165,000)	
Grant Income	(125,857)		(125,857)	
Total Net Expenditure	347,215		307,420	
2011-12 Forecast	343,196		343,196	
Potential (savings) / costs	4,019		(35,776)	
Start Up costs	0		8,750	
Exit Costs	0		45,000	

* Under option one the Third Party Payment is the amount that will be paid to the Bidder, net of any fees and charges that they generate.

- 7.4 If Option One were selected, the Authority would need to invest a further £12,057 over the three year period of the Contract. Any set up costs and severance costs would be met by the successful Bidder.
- 7.5 If Option Two were selected, there would be possible operational costs relating to the Transfer of Undertakings Protection of Employment Regulations 2006 (TUPE) as staff employed in the delivery of the contracts currently let to Mears and Regenda have the right to transfer their employment to the Authority under their existing terms and conditions. If as a result of the transfer of the service the Authority has an excess of staff for the proposed structure there will be severance costs, which will need to be funded by the Authority in 2011-12. The Authority will be able to achieve cashable savings of £53,578 over the three year period of an equivalent Contract, net of estimated start up costs and severance costs.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The power to deliver a Home Improvement Agency is contained within Section 111 of the Local Government Act 1972 which states: *“Without prejudice to any powers exercisable apart from this section but subject to the provisions of this Act and any other enactment passed before or after this Act, a local authority shall have power to do any thing (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.”*
- 8.2 The Council is not liable for any costs, expenses or other liabilities resulting from any cancellation of the Tender process nor for any other costs incurred by those Tendering for the Contract.

9.0 Risk Management

- 9.1 The potential risks to the Authority of a procurement challenge are outlined at Paragraph 8.2 above.
- 9.2 The HIA service is critical to the delivery of the Disabled Facilities Grant (DFG) capital programme in Cheshire East. A delay in the delivery of DFGs has revenue implications, as it increases the cost of care packages funded by Adult Services.
- 9.3 Temporary contracts have been put in place with the existing contractors to ensure continuity of service delivery up to 31st October 2011. Finance and Contract Procedure Rules were waived to exempt the letting of the temporary contracts from the requirements for competition, in order to allow the competitive procurement process to be completed. The Contract term cannot be extended as this would result in the value of the contract exceeding the European Procurement threshold.
- 9.4 If the grant funding from the Department of Communities and Local Government of £110,000 reduces in future years, the Authority will need to increase expenditure from the base budget to be able to pay the contract price under Option One. If the service were delivered in-house under Option Two, the scale of the service could be reduced in line with funding reductions, but the Authority would be responsible for any severance costs.
- 9.5 Central and Eastern Cheshire PCT have indicated that they wish to enter into the contract as a partner with Cheshire East Council. This will secure the £15,857 annual funding for the term of the contract, and negates any risk to this income.

10.0 Background and Options

10.1 Home improvement agencies (HIAs) link housing, health and social care, by providing practical support to enable older people and disabled adults and children to maintain their independence, health and well-being in the home of their choice for the foreseeable future. Outcomes are achieved by supporting service users to make informed choices through the process of home repairs, disability adaptations or improvements to their home. This enables people to live independently and meets the coalition Government's objective of providing increased levels of care and support to people in their own homes.

10.2 The basic premise of a HIA service is that it provides support to assist older people, disabled adults and families of disabled children through the home repairs and adaptations process, rather than actually carrying out the physical improvements. The main client groups using HIA services are older or disabled homeowners that lack either the financial capacity or personal resources to organise works themselves. A growing client group is disabled children; 21 major adaptations were fully funded by the Authority in 2010-11, often meeting very complex needs and safeguarding the child and their parent or carer. The support that is provided includes:

- Helping people to find ways to pay for the repairs and adaptations, including assessing their entitlement to welfare benefits, and applying for disabled facilities grants, home repair loans and equity release products
- Providing technical advice on the options available, producing architectural drawings and specifications, and assisting people through the planning and building regulations application processes
- Assisting people to employ reputable contractors and carrying out quality checks on the work
- Signposting and referrals to other services to help the vulnerable person address other housing related issues that are affecting their ability to continue living independently in their own home.

10.3 The HIA service also incorporates handyman services, which are low-level practical services that help with the small repairs and practical tasks that many older people can no longer do. Jobs such as changing curtains, fixing down trailing wires, fixing dripping taps, low level garden maintenance, fitting grab rails and extra hand rails to stair cases are highly valued by older people and promote safety in the home. Handyman services also reduce opportunities for rogue trader crime, by providing a reliable service at a low cost that older people trust, rather than inviting strangers into their home, often at disproportionate prices.

10.4 HIA services provide invaluable support to the delivery of the Authority's statutory functions, including:

- **Supporting the delivery of disabled facilities grants (DFGs).** HIAs play a key part in the process of adapting disabled people's homes, to reduce the need for care packages. Once a person has been assessed as needing a home adaptation by an Occupational Therapist in Adult Services, and they meet the Fair Access to Care criteria, the HIA will support the disabled person to identify the best way to adapt their home, complete the application process, obtain quotes and gain planning permission where necessary, and apply to the Authority for the grant. The grants are provided from the Authority's capital programme; a budget of £1,320,000 has been approved for 2011-12.
- **Installation of equipment and minor adaptations.** The Authority has a statutory obligation to provide free equipment and adaptations under £1,000 to people assessed as being in need; the Authority has a target of 2 weeks for minor adaptations (such as grab rails, hand rails and small building alterations) to be installed. These are currently installed through a mixed package of external contractors and HIA handypersons.
- **Eliminating significant health and safety hazards in the home.** Under the Housing Act 2004 where a category 1 hazard is identified in the home, the local authority has a duty to take action to remove that hazard. HIA services support homeowners to carry out repairs to reduce the risks in their home. These repairs can either be major home repairs, where the HIA supports the homeowner to apply for funding from the Authority's Private Sector Assistance capital programme, or could be small jobs carried out by the handyperson such as fixing down carpets or fitting a hand rail to the stairs to prevent falls. A budget of £300,000 has been approved for the Private Sector Assistance capital programme for 2011-12.
- **Enabling the swift transfer of care from hospital to home, and preventing readmissions.** The local authority incurs fines for delaying the discharge of people from hospital; HIA handyperson services can install minor adaptations, move furniture and fit key safes to facilitate access for carers, thereby enabling the person to be discharged from hospital.
- **Promoting health and well-being.** HIAs contribute to the fuel poverty agenda, by assisting people to access welfare benefits, improve energy efficiency and reduce their spending on heating their home. General improvements in the home environment, including addressing damp and cold homes, improves mental and physical well-being. HIAs can also work well with people who have a tendency to hoard papers and rubbish, and by taking a stepped approach can support people to make changes to their home environment – a task which is very resource intensive for housing, social care and environmental health.

10.5 The Authority currently funds three HIA services, aligned to the former district boundaries. The current service providers are:

- In-house by the Strategic Housing division of Planning and Housing – for Congleton;
- Mears, a national social housing repairs and domiciliary care provider – for Crewe & Nantwich; and
- Regenda, a registered housing provider – for Macclesfield.

10.6 The services are funded from a combination of sources:

- Revenue funding from Supporting People and Individual Commissioning in Adult Services;
- Capital funding through the DFG programme and the Private Sector Assistance programme, based on a percentage of the value of grants / loans completed;
- Central and Eastern Cheshire Primary Care Trust;
- Earned income from fees and charges to the customer;
- DCLG Handyperson Grant, paid through the local authority's Supporting People stream.

10.7 The cost of any major building works is funded by the customer, either through a grant or loan application, or from their own resources, such as savings. A professional and technical services fee for assistance to organise major building works is charged to the customer; where the work is funded by a local authority grant or loan, the fee is funded through the capital programme.

10.8 For handyperson services, the customer pays a small fee for the handyperson service, as well as the cost of any materials. For example, a customer using the service in Congleton would pay £10 for the service, and £3.50 for a grab rail.

11.0 Review of HIA services

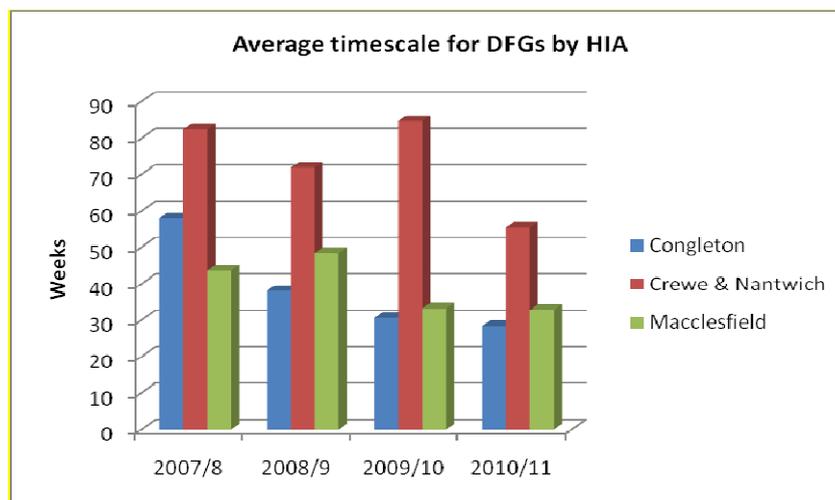
11.1 A review of the current service provision was completed in 2010. The main objectives of the review were to rationalise the service to achieve efficiencies and secure value for money, and improve service delivery to vulnerable people.

11.2 The review was led by the Strategic Housing team in conjunction with a range of stakeholders from the Supporting People, Strategic Commissioning and Individual Commissioning teams in Adult Services, Central and Eastern Cheshire PCT, existing service providers and the national body for HIA services.

11.3 The review found that over 3,000 older, disabled and vulnerable people receive housing related support each year from the HIA services.

11.4 Handyperson services have provided significant financial benefits for statutory services: every £1 spent on handyperson services in Cheshire East in 2009-10 saved £1.97 for social care, health and police.

- 11.5 There is considerable evidence of strategic relevance and demand for HIA services in Cheshire East.
- 11.6 HIAs play a critical role in the delivery of home adaptations. There has been considerable concern about the long timescales for delivery of adaptations in Cheshire East, which was a key factor in carrying out the review of HIA services. Waiting times for adaptations funded by DFGs varied considerably across the Borough, with residents in Crewe & Nantwich waiting an average of 14 months for an adaptation, compared to an average of 7.5 months in Congleton and Macclesfield. While waiting times in Congleton and Macclesfield are better, these can still be improved significantly. It was considered that insufficient levels of technical expertise were contributing to the delays across the Borough, and the review recommended that this be addressed.
- 11.7 The graph below highlights the difference in performance between the HIA services. In Congleton, the in-house service has consistently reduced timescales for completion of adaptations, achieving a 51% reduction in timescales between 2007/8 and 2010/11. Performance across all HIAs has improved, but the external services still lag behind the performance of the in-house service, with DFGs taking an average of 27 weeks longer in Crewe & Nantwich than in Congleton. Macclesfield HIA's performance appears comparable with the in-house service in Congleton; however, there are significantly fewer large scale adaptations (such as building extensions) carried out in Macclesfield than in Congleton, which masks slower timescales on simpler adaptations such as stair lifts and level access showers.



- 11.8 Long timescales for DFGs in Cheshire East were highlighted in a Daily Telegraph article in 2010. The article referred to adaptations carried out in 2008-9 by the external HIA services, and cited two examples of adaptations taking more than 5 years to be completed. There were exceptional circumstances in each case, however further examination highlighted significant delays in the HIAs' processes.

- 11.9 Performance has improved by the in-house HIA service in the Congleton area over the last four years as a result of designing out unnecessary steps in processes, developing partnership working with contractors and Registered Providers, and strong performance management. In April 2009 following local government reorganisation, a programme for improvement of the DFG process was put in place within the Authority, which has led to improvements in timescales and controlled expenditure across the Borough; consistent working practices through a single HIA service will drive down timescales and improve value for money further.
- 11.10 The pattern of supply is irregular across the Borough, with differences in the services being provided. Low cost decorating and gardening services were available in the Macclesfield area, but were not available in other areas. Similarly, a home safety project for families with children under 5 was only available in Crewe & Nantwich.
- 11.11 There was disparity in the cost and funding of services. The average cost of the service per resident supported to maintain independent living was £134.67 in Congleton, £332.13 in Crewe & Nantwich, and £144.69 in Macclesfield. The Authority spent 54% more on services in the Crewe & Nantwich area compared to Congleton in 2009-10. There was no evident correlation between the level of funding and the HIAs' performance and outcomes for customers.
- 11.12 Residents in the Crewe & Nantwich area were paying more for services, despite the poorer social and economic profile of the area, with 9 out of the 14 most deprived areas being in Crewe. For example, customers in Macclesfield received free handyperson services, while customers in Congleton paid £10 per visit, and customers in Crewe paid £15 per hour.
- 11.13 Different approaches to commissioning minor adaptations services was resulting in higher expenditure by the Authority. It was found that using an employed handyperson to deliver minor adaptations reduced costs by 113% in Congleton. In Crewe & Nantwich, the HIA did not deliver minor adaptations. Funding arrangements in Macclesfield delivered the best value for money through a fixed price arrangement. Since 2008-9, improvements in the way minor adaptations are delivered in Congleton has led to savings of £38,000 for the Authority.
- 11.14 HIA services form part of Adult Services' overall vision for future service delivery. It is envisaged that Independent Living Centres will be the hub for health and social care resources in the community, providing a whole systems response to maximising the safeguarding of vulnerable adults and children, and enabling customers to receive a streamlined service throughout the assessment journey. To achieve this, there are a number of strands of work, including HIA services, undertaken by health, social care and housing that need to be aligned.

12.0 Outcomes

- 12.1 HIA services help customers to achieve a wide range of outcomes relating to their health, social care, housing and economic needs. Successful outcomes include preventing the person from being admitted unnecessarily to hospital or care; enabling the person to be discharged from hospital; improving their economic well-being through the take-up of welfare benefits or reducing their expenditure on heating costs; and enabling the person to maintain independent living and personal dignity without the need for personal care from another party.
- 12.2 The lack of timely provision of equipment and adaptations for disabled people can lead to costly physical health problems. Effects of non-provision include muscle contractures, pressure sores, ulcers, infections and pain. Equipment and adaptations contribute to improved physical and mental health of carers; without suitable adaptations, there is an increased risk of musculoskeletal damage, falls leading to hospitalisation and stress caused through inadequate space for moving and handling of the disabled person.
- 12.3 Approximately 10% of all falls in older people will result in an injury, of which half will have a fracture with the most common fractures being wrist, spine, hip, humerus and pelvis. The forecast for falls in the Central and Eastern Cheshire PCT area is outlined in the table below:

Year	Population Forecast 65+	Estimate of Fallers @ 30%	Falls with Injury @ 10%	Falls with Fracture @ 5%
2007	78,670	23,601	2,360	1,180
2011	86,800	26,040	2,604	1,302
2016	100,100	30,030	3,003	1,502
2021	109,000	32,700	3,270	1,635

Source: CECPT Annual Public Health Report 2009

- 12.4 Local data suggest that around 3,500 to 4,000 older people attend A&E each year as a result of a fall. Out of a total of 55,103 people attending A&E at East Cheshire NHS Trust between April 2007 and March 2008, 1,484 (2.7%) were fallers over the age of 70 and 51% of these were admitted onto a ward, and 22% to fracture clinic, A&E review or GP follow up.
- 12.5 HIA hospital discharge services provide a rapid response to enable older people to be safely discharged from hospital into their own homes through carrying out essential repairs, minor adaptations, fitting key safes, and moving furniture. This contributes to a number of outcomes for patients, including their ability to maximise their independence as their needs are met, being able to return to their own home and continue their social networks, and improved health as they continue their recovery in a warm, safe environment. For health and social care services, resources are used to best effect as referrals are made to one agency to address a range of housing issues, and staff can focus on

delivery of services to patients without spending time organising a range of services.

12.6 Cold, damp homes can lead to a number of health conditions, including respiratory infections, cardio-vascular diseases, arthritis and high blood pressure. Cold weather increases hospital admissions, and excess winter deaths. By the HIA service assisting people to address inadequate heating and insulation and other causes of cold, damp homes, health inequalities will be reduced as physical health and well-being of occupants improves, and mental health will also improve by reducing social isolation and depression exacerbated by poor living conditions.

12.7 Performance of the HIA service will be measured through outcomes for the customer, using a framework defined by DCLG for the Supporting People programme:

1. Achieve economic wellbeing
 - a. The Service User's income was maximised
2. Enjoy and achieve
 - a. The Service User participated in leisure activities, cultural activities, faith activities, informal learning activities, voluntary work, training or education
3. Be healthy
 - a. The Service User is managing their physical and/or mental health better
 - b. The Service User is able to manage independent living better as a result of Assistive Technology, equipment, minor adaptations, large adaptations, or support with housing options
4. Stay safe
 - a. The Service User's fabric of their accommodation was maintained
 - b. The Service User is able to remain safe and secure in their chosen accommodation
 - c. The Service User is better able to manage neglect
 - d. The Service User is able to minimise the risk of harm from others
5. Make a positive contribution
 - a. The Service User has more choice, involvement and control

12.8 Other outcomes include giving children the best start in life through the provision of adaptations, falls prevention, preventing unnecessary admissions to hospital, and reducing health inequalities through reducing fuel poverty.

13.0 Financial Impact on Social Care

13.1 There is a considerable body of evidence to demonstrate the potential savings to social care budgets by providing efficient adaptations services through the HIA:

- 13.2 Delays in delivering adaptations have the potential of costing up to £470 per week¹ to the social care budget through the use of intermediate care accommodation, for people who are unable to return home. Based on the performance of the existing HIA services in delivering adaptations in 2010-11, delays in the worst performing service could increase care costs by £12,700 per person compared to the best performing HIA² (see paragraph 11.7 above).
- 13.3 The average cost of a DFG in Cheshire East (£6,000) typically pays for a stair lift and a level access shower, which will last at least ten years. The same expenditure would provide an average home care package for only one year³. Where the adaptation enables a person to return home from intermediate care, the expenditure would be recouped in three months, and further expenditure on intermediate care would be eliminated. Annual savings of up to £18,000⁴ per intermediate care bed can be achieved through a speedy adaptations service.
- 13.4 Local authorities can be fined up to £100 per day where the transfer of care from hospital to home is delayed as a result of suitable provisions not being put in place. This could place the Authority under significant financial pressures. HIA services can help alleviate these pressures by making the home environment suitable for the person to return home. In 2010-11, the in-house service carried out minor adaptations to allow 82 people to come home from hospital; across Cheshire East this would have the potential of preventing bed-blocking for 250 people. If these people were in hospital for 1 week longer than was necessary, the Authority could be fined £175,000.
- 13.5 Falls leading to hip fractures are estimated to cost £28,600 in health and social care costs⁵. Speedy adaptations to prevent falls, such as grab rails, are around 400 times cheaper than the cost to statutory services of a hip fracture. In 2006/7, 503 people were operated on for hip fractures within the Central and Eastern Cheshire PCT area; the estimated cost to statutory services of emergency admission, treatment and support exceeds £14million. Many of the risk factors associated with falling can be potentially modified through multi-factorial risk assessments and interventions targeted at those at risk, including low cost environmental modifications in the home⁶.

14.0 Revised Service Specification

¹ Residential care rates in Cheshire East, 2011-12

² 27 weeks at a cost of £470 residential care rate per week

³ Based on £95.93 per week for a domiciliary care package of 3 daily visits

⁴ Based on £24,000 annual cost of funding a residential care place, less the £6,000 cost of an adaptation

⁵ Parrott, S. (2000) The Economic Cost of Hip Fracture in the UK. University of York.

⁶ CCEPCT (2009) Annual Public Health report.

- 14.1 The review highlighted the need for a single HIA service across Cheshire East, to ensure consistent and efficient service delivery and to ensure that service users are not disadvantaged by where they live. A revised service specification has been developed to ensure that services are equitable across Cheshire East.
- 14.2 The service specification for the Contract contained details of the Authority's requirements for the service, including setting out the service standards to be achieved. In particular, challenging service standards have been set for the DFG process. Average timescales for DFG approvals in 2010-11 were 20 weeks for less complex adaptations such as wet-room style showers and stairlifts, and for building extensions and conversions where planning permission was required, the average timescale was 47 weeks⁷. We are seeking significant improvements through the new service standards, as set out below:
- Stairlifts – 6 weeks
 - Other less complex adaptations without planning permission – 12 weeks
 - Extensive adaptations requiring planning permission – 30 weeks
- 14.3 It is anticipated that the HIA service will provide housing related support to 4,000 vulnerable people, and will assist at least 650 people to be discharged from hospital or prevent them from unnecessary admission to hospital or care.
- Minor adaptations and urgent handyman jobs will be carried out in 5 working days, reducing the risk of falls and supporting the swift transfer of care from hospital to home. Minor adaptations services are currently delivered through different mechanisms; the new service specification consolidates the current arrangements and will drive down expenditure on minor adaptations by approximately 15%.
- 14.4 The service specification also expands the remit of the handyman service to carry out larger jobs that fall between a typical small handyman service and jobs that contractors will normally take on (for example, building flat pack furniture or hanging doors), and stipulates low level gardening services to be delivered across the Borough.
- 14.5 The service specification includes a requirement to develop a referral network to tackle fuel poverty in Cheshire East, in response to the Private Sector House Condition Survey's findings that over 16,000 households (11.7%) are in fuel poverty and need to spend a disproportionate amount of their income on heating their home.

15.0 Procurement Exercise

- 15.1 A full and proper procurement exercise was carried out for the provision of a Home Improvement Agency service. The Contract was advertised

⁷ Measured from the point of referral to grant approval

on the Chest and in the European Journal. Five companies were selected through a Pre Qualification Process to be invited to tender, and three tenders were received.

15.2 The tenders were evaluated using ‘Most Economically Advantageous Tender’ analysis by a panel of three key users to ensure a mix of professional skills. The tenders were evaluated in a closed environment, based on the following criteria:

- i. Qualitative – 55%
 - a. Service delivery methodology
 - b. Delivering outcomes to improve life opportunities and health
 - c. Added value service enhancements
 - d. Staffing resources
 - e. Logistics, including location and accessibility
 - f. Case management
 - g. Safeguarding vulnerable adults and children
 - h. Service user involvement
 - i. Approach to procurement
 - j. Fees and Charges policy
 - k. Contract Mobilisation
 - l. Risk Management and Business Continuity
- ii. Price– 35%
- iii. Interview and Presentation – 10%

15.3 The results of the evaluation of the tender exercise are set out below:

Tenderer	Quality	Price	Interview Presentation	Total
Max Score	55%	35%	10%	100%
Supplier 1	35.80%	33.89%	7.40%	77.09%
Supplier 2	26.00%	33.74%	4.60%	64.34%
Supplier 3	23.20%	35.00%	6.00%	64.20%

15.4 The tender submitted by the Bidder awarded the highest score in the Tender evaluation process is of an acceptable quality and the majority of their responses were considered to either meet or exceed expectations and reflected either an adequate or excellent understanding of the Authority’s requirements.

15.5 Staff employed by the Authority and by the existing contractors in the delivery of the HIA service would be transferred to the new Contractor. The new Contractor has indicated a requirement for 15.0FTE staff. There are currently 15.1FTE staff who would be transferred under TUPE, therefore the new Contractor may seek a small reduction in staffing levels. It is possible that the skills do not align with the Contractor’s proposed new structure and may lead to redundancies. The new Contractor would be responsible for any severance costs.

15.6 If Option One were selected, the Authority would need to increase expenditure on HIA services by £12,057 over the three-year period of the contract.

16.0 In-House HIA Proposal

16.1 Rule E.18 of the Finance and Contract Procedure Rules state that where the procurement is likely to exceed £50,000, it should be established whether the service can be provided by an in-house Provider. An in-house HIA proposal has been developed by the Strategic Housing division of the Planning and Housing service (see 7.4 above, Option Two).

16.2 There are currently six staff (4.3FTE) employed by the Authority in the delivery of HIA services. Under TUPE regulations up to 13 staff (10.8FTE) would be entitled to be transferred to the Authority under their current employment terms and conditions from the existing service providers. Option Two is based on 16.5 FTE staff needed to deliver the requirements of the service. The reason for the proposed increase in staffing levels is twofold: to address the blockages in the DFG process identified in the service review by increasing technical support, and to increase the handyperson service to deliver minor adaptations, which will reduce expenditure on minor adaptations by around 15% (as previously stated in paragraph 12.3).

16.3 Whilst the number of staff employed in the delivery of the HIA service would increase by 1.4FTE, the skills of the existing staff may not be aligned to the requirements of the service and may lead to severance costs, which would need to be funded by the Authority in 2011-12. The table below sets out existing staff and the new proposal:

Role	Existing in-house service	Mears	Regenda	Existing: Total	Proposal	+ / -
	FTE	FTE	FTE	FTE	FTE	FTE
Manager / Team Leader	1.0	1.0	1.0	3.0	2.0	-1.0
Technical Officer	1.0	2.0	0.6	3.6	5.0	+1.4
Caseworker	1.2	0.8	0.6	2.6	2.5	-0.1
Handyperson	0.6	1.0	2.0	3.6	5.0	+1.4
Business Support	0.5	1.4	0.4	2.3	2.0	-0.3
TOTAL	4.3	6.2	4.6	15.1	16.5	+1.4

- 16.4 Option Two would deliver cashable savings of £53,578 for the Authority, net of estimated set up costs and severance costs that would need to be funded in 2011-12.
- 16.5 There are a number of interlinked reviews and restructuring underway as part of adult social care redesign, including occupational therapy services, the development of Local Independent Living Teams, community equipment service, and the development of the Independent Living Centres. An in-house HIA service would give us improved scope to align the HIA service with other health and social care services around the Independent Living Centre model as it develops, and improve the customer journey and our speed of response, thereby reducing the need and associated cost of care packages put in place by the Authority.
- 16.6 There is a strong culture of performance management in the existing in-house HIA service, which has led to the 51% reduction in DFG timescales in Congleton since 2007/8. By delivering the service in-house, these practices can be applied across the Borough, and further work to integrate the processes between Strategic Housing and Adult Services will deliver further improvements. An in-house service will give us the flexibility to mould the service in line with the principles of adult social care redesign, designing services around our customers' needs and designing out wasteful steps in processes.
- 16.7 Efficiencies achieved by aligning housing and social care will lead to improvements that are demonstrable through reduced timescales for adaptations, increased support for self-purchasing customers who aren't eligible for social care support and improved outcomes for customers.

17.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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