

# CHESHIRE EAST COUNCIL

## Cabinet

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| <b>Date of Meeting:</b>  | 9 <sup>th</sup> December 2014                                                                    |
| <b>Report of:</b>        | Director of Economic Growth and Prosperity                                                       |
| <b>Subject/Title:</b>    | Vulnerable and Older Persons Handyperson Service<br>(Ref CE 14/15-34)                            |
| <b>Portfolio Holder:</b> | Councillor D Stockton, Housing and Jobs<br>Councillor J Clowes, Care and Health in the Community |

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### 1.0 Report Summary

- 1.1 Cheshire East Council is committed to helping people to stay in their own homes and remain as active and independent as possible. To support this, a number of services are provided so that vulnerable and older people can benefit from opportunities that give them the choice to remain in their own homes. The re-commissioning of the handyperson service is part of a suite of developments across housing, social care, health and public health to increase good outcomes to achieve Outcome 5 in the Council's 3 year plan: "Local People Live Well and for Longer".
- 1.2 By investing in a Vulnerable and Older Persons' Handyperson Service, the Council is securing a simple but very effective and valuable way of assisting our older and disabled residents to stay in their own home and enhance their independence and wellbeing. Low level practical support around the home is highly valued by older people who often don't know who to trust in their home and are no longer able to do small jobs for themselves.
- 1.3 Dialogue with Orbitas Bereavement Services Ltd has confirmed that there is the scope to extend the remit of their existing service to include the Vulnerable and Older Persons' Handyperson Service, and that value for money can be secured through delivery through an ASDV. This area of business aligns with a community and home help electrical service which will be provided by Orbitas to offer help and support to individuals and families. Orbitas has the ability to operate commercially and innovatively, reducing operating costs and increasing income by aligning skill sets, infrastructure and technical expertise with the electrical service and any new service development opportunities.
- 1.4 This presents an exciting opportunity to develop the Council's offer to residents in line with Outcome 5 'Live well and for longer'. A re-branded service supported by an effective and inclusive communications strategy will increase usage of the service, supporting the Council's strategic direction of travel for adult social care in enabling individuals to control their own care and support and maximising opportunities for adults to live self-reliant, independent and

healthy lives. By utilising the commercial flexibility afforded to Orbitas, the Council has the opportunity to develop practical home services that truly meet the needs and aspirations of vulnerable and older local residents at an early stage in order to avoid or delay any dependence on statutory services. The expectation of Cheshire East is that Orbitas will expand the business, providing an enhanced offer to our residents at an affordable price. This will be overseen through a contract monitoring process.

- 1.5 This report seeks permission to transfer the existing Vulnerable and Older Persons' Handyperson Service and enter into contractual arrangements with Orbitas. Orbitas currently acts as an agent of the Council in order to qualify for the 'Teckal' exemption; contractual arrangements will need to ensure that Orbitas continue to qualify for the 'Teckal' exemption, in order for the Council to award the contract to the company without the need to carry out a procurement exercise under the Public Contracts Regulations 2006. The estimated aggregated contract value is £700,000 over a 5 year timeframe.
- 1.6 The changes to the delivery of the Vulnerable and Older Persons' Handyperson Service will trigger the automatic application of the TUPE regulations which will bring into effect the transfer of six members of staff to Orbitas.

## **2.0 Recommendations**

- 2.1 To authorise officers to enter into contractual arrangements with Orbitas Bereavement Services Ltd in order for them to act as an agent of the Council in the delivery of the Vulnerable and Older Persons' Handyperson Service for a term of five years.
- 2.2 To transfer staff currently employed by the Council in the delivery of the Vulnerable and Older Persons' Handyperson Service to Orbitas Bereavement Services Ltd in accordance with TUPE regulations.

## **3.0 Reasons for Recommendations**

- 3.1 The re-commissioning of the Vulnerable and Older Persons' Handyperson Service forms part of the Strategic Housing review which was instigated in 2012 (Major Change Programme 5.1) to consider whether the services provided were fit for purpose and met the needs of our customers. The review was structured in a phased approach; in the first phase the Strategic Housing service was restructured to enhance the customer journey as well as bringing forward efficiencies, and work is now underway to consider alternative service delivery models for front line services.
- 3.2 A cross-service review of the Vulnerable and Older Persons' Handyperson Service was undertaken to establish the future place of this support in delivering the Council's outcomes, and following an options appraisal it was concluded that this is a key service to achieve early intervention and preventative outcomes for vulnerable people, improving their physical and mental well-being and independence at home.

- 3.3 There is a need to achieve best value for the services that the Council directly commissions and provides, and to reduce net operating cost wherever possible, whilst at the same time maintaining the best possible service for its residents in line with the Council's agreed three year plan. An OJEU-compliant procurement exercise carried out in April 2014 concluded that value for money could not be secured through delivery by a private sector or community sector organisation, as the cost of commissioning the service would increase exponentially by at least £367,000 over the term of the contract, and is not affordable within the Council's three year business plan.

#### **4.0 Wards Affected**

- 4.1 All Wards

#### **5.0 Local Ward Members**

- 5.1 All Wards

#### **6.0 Policy Implications**

- 6.1 The recommendations within this report support the delivery of Outcome 5 of the Cheshire East Council Three Year Plan– people live well and for longer.
- 6.2 The recommendations also support the aspiration of Cheshire East to be a Council which enables and supports communities, families and individuals to flourish and be self-reliant, a Council that works in partnership with others to ensure the best outcomes for local people and a Council that ensures services are delivered in the way which gives the best value for local people.

#### **7.0 Implications for Rural Communities**

- 7.1 The Vulnerable and Older Persons' Handyperson Service is provided in customers' own homes across Cheshire East, ensuring equitable access all communities. Access to private handyperson services is more restrictive in rural areas, increasing the cost borne by the customer as a result of limited supply and increased contractor travel costs. A charging policy will need to be put in place to ensure that the Orbitas-operated service is affordable for people in rural communities.

#### **8.0 Financial Implications**

- 8.1 The first stage of the Strategic Housing review identified efficiency savings of £200,000 across both Housing and Adult Services. Of this, £85,000 was attributable to the Vulnerable and Older Persons' Handyperson Service which was realised through efficiency savings and restructuring of this service.
- 8.2 There is an existing budget for the Vulnerable and Older Persons' Handyperson contract which is sufficient to cover the value of the contract (£700,000 over 5 years).

- 8.3 The impact of the proposed transfer of staff on future employer pension costs is being investigated. However, it is likely that employer contribution rates will need to increase above the current Cheshire East rate.

## **9.0 Legal Implications**

- 9.1 The Chronically Sick and Disabled Persons Act 1970 places a duty on local authorities to arrange practical assistance in the home, and any works of adaptation or the provision of additional facilities designed to secure greater safety, comfort or convenience. Authorities may discharge their duties by the direct provision of equipment or adaptations, or by providing a grant to cover or contribute to the costs of such a provision. Part 2 of the Community Care (Delayed Discharges etc) Act (Qualifying Services) (England) Regulations 2003 provide that any community care equipment and minor adaptations for 'the purposed of assisting with nursing at home or aiding daily living which a person has been assessed to need, and for which he or she is eligible, should be provided free of charge provided the cost is £1,000 or less'.
- 9.2 The power to deliver a Vulnerable and Older Persons' Handyperson Service 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."
- 9.3 Orbitas would be providing the Vulnerable and Older Persons' Handyperson Service as the Council's agent (so on the same basis that it provides the bereavement services) and so not competing in the market as a handyperson service, but instead managing the provision of the service on the Council's behalf. On this basis, it is working for the Council and not offering a service to the public, and it will qualify for the Teckal exemption which means that the Council can award the contract to Orbitas without undertaking a competitive procurement process.
- 9.4 Any additional works (which do not form the discretionary activities described above) which Orbitas does offer directly with the public will be outside the scope of the contract with the Council. Orbitas will need to ensure that 80% of its activities are carried out for the Council in order to continue to qualify for the Teckal exemption.
- 9.5 Section 95 of The Local Government Act 2003 requires that the decision to trade services through a company be supported by a business case. This requirement is reflected in the Council's Charging and Trading Principles set out in the Charging and Trading Strategy. A recent procurement exercise has demonstrated that the market is unable to provide a value for money service. A business case to support the award of a contract to Orbitas needs to be considered and endorsed by EMB.

- 9.6 By entering into contractual arrangements with Orbitas for the delivery of the Vulnerable and Older Persons' Handyperson Service, TUPE regulations will be triggered in respect of the transfer of current Council staff who are working on the delivery of the service immediately before the transfer. The Council will have to undertake the necessary due diligence to identify which employees have the right to transfer to Orbitas and to be able to provide the necessary employee liability information in accordance with the TUPE regulations. The Council and Orbitas will also have to comply with the Regulations' consultation requirement, which stipulates that consultation on any planned changes to terms and conditions of employment (measures) needs to be conducted in good time before the transfer. "In good time" is not defined in the regulations, but a comparison is usually drawn with the timescale for redundancy consultation which is 45 days.

## **10.0 Risk Management**

- 10.1 There is a risk that an increase in the cost of discretionary activities which are passed on to customers will increase, with the subsequent risk that this will be viewed negatively by current and potential customers and lead to negative publicity and a reduction in take up of services. An engagement exercise will be undertaken to mitigate this risk.

## **11.0 Access to Information**

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

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