



<b>Signed off by</b>	Head of Neighbourhood Operations
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<b>To</b>	Executive
<b>Date</b>	Thursday, 23 March 2023
<b>Executive Member</b>	Portfolio Holder for Neighbourhood Services

<b>Key Decision Required</b>	Y
<b>Wards Affected</b>	(All Wards);

<b>Subject</b>	Retender of Home Improvement Agency and Handy Person Services
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<b>Recommendations</b>
<p><b>That the Executive:</b></p> <ul style="list-style-type: none"> <li><b>(i) Approves the procurement by retender of Home Improvement Agency and Handy Person Services;</b></li> <li><b>(ii) Approves the award of the contract by the Head of Neighbourhood Services in consultation with the Strategic Head of Legal &amp; Governance and Chief Finance Officer, in accordance with the outcome of the procurement process.</b></li> </ul>
<b>Reasons for Recommendations</b>
<p>The current Home Improvement Agency and Handy Person Services (HIA and HPS) contract is due to expire in January 2024 at the end of a full 5 year term, and so requires retender. The Council's Contract Procedure Rules (CPR's) govern all procurement activity and set the threshold values for the authority to procure and award contracts. The HIA and HPS contract is worth at least £0.600 million over 5 years and as such requires Executive authority to award. In practical terms, the contract award flows from the outcomes of the procurement process, and so Executive agreement is sought at the outset to undertake the procurement including the award of the contract in due course.</p>
<b>Executive Summary</b>

The Home Improvement Agency and Handy Person Service contract has been outsourced for many years, and was most recently retendered in 2018. It is due to expire in January 2024 at the end of a full 5 year term, and so requires retender during 2023. The Council's CPR's govern all procurement activity and set the threshold values for the authority to procure and award contracts. The HIA and HPS contract is worth at least £0.600 million over 5 years and as such requires Executive authority to award. In practical terms, the contract award flows from the outcomes of the procurement process, and so Executive agreement is sought at the outset to undertake the procurement including the award of the contract in due course.

Since 2018, HIA and HP services have been delivered by Millbrook Healthcare Limited on behalf of Reigate and Banstead Borough Council and Mole Valley and Tandridge District Council's, operating under three separate contracts with the three Council's, following a joint procurement. All three Council's wish to repeat the joint procurement and continue the jointly operated but separately contracted service model. Tandridge District Council will be the procurement lead.

HIA and HP services enable those in need of support to maintain their independence in their home for the foreseeable future, and to help them to live in a warm, weather tight, safe and secure home, contributing to improved quality of life, health and wellbeing. Services are primarily used to assist older or disabled people or people on low incomes with additional needs to retain their independence, and are tenure neutral. They are a key part of the provision of mandatory Disabled Facilities Grants (DFG's), and align closely with the themes and priorities of the Council's Five Year Plan, 'Reigate and Banstead 2025', in particular our objective to provide targeted and proactive support for our most vulnerable residents.

Outsourced provision of these services is most economical for the Council, which is able to achieve some economies of scale and greater resilience through the use of a shared service provider. The alternative to retendering would be to bring the services in house and deliver them directly, but this would require significant revenue budget growth and the creation of an entire new team to deliver services that there is no current experience or resource for. TUPE of the current service providers staff would also be required.

Executive is asked to agree the procurement by retender of HIA and HP services, to allow continued provision of these key services for vulnerable people. There are legally required timescales for certain parts of the procurement process, for example notification of the outcome to bidders. It would not be feasible to return to Executive to seek agreement to award the contract part way through the procurement process, as this could not be achieved within the necessary time limits. Agreement is therefore sought in advance in recognition that the outcome and therefore choice of provider, will flow from the robust procurement process.

**Executive has authority to approve the above recommendations**

### **Statutory Powers**

1. Council procurement is governed by the Public Procurement Regulations 2015. These regulate the purchasing by public sector bodies of contracts for goods, works

and services. Contracting authorities must, in general, meet their contractual requirements by means of an advertised competitive contract award process that is based on objective, relevant and proportionate criteria. They must treat bidders equally and without discrimination, and act in a transparent and proportionate manner. The Council's CPR's are followed to ensure these principles are applied to all Council procurement.

2. The services to be retendered include delivery of mandatory grants. The Housing Grants, Construction and Regeneration Act 1996 requires the local housing authority to administer grants to provide adaptations and facilities in the homes of disabled people. The terms under which these mandatory Disabled Facilities Grants (DFG's) may be given are set out in the legislation. This includes physical and financial eligibility criteria for applicants and criteria on what adaptations may be funded by the DFG.
3. The DFG is a means tested capital grant which can contribute towards the cost of adapting a home, for example by installing a stair lift, creating a level access shower room, widening doorways, providing ramps and hoists or creating a ground floor extension. The DFG is a mandatory grant, which means that it is a legal requirement for local authorities to provide help to people who meet the eligibility criteria.

## **Background**

4. The HIA & HPS contract has been outsourced for many years, and was most recently retendered in 2018, at which time the contract was taken over by the current provider Millbrook Healthcare Ltd ('Millbrook'). This followed a major procurement exercise, conducted jointly with Mole Valley and Tandridge District Council's to secure a common service provider, operating under three separate contracts with the three Council's.
5. The full contract term was 5 years and is due to expire in January 2024, so it is necessary to retender during 2023. All three Council's wish to continue the joint procurement and jointly operated but separately contracted service model, which has worked very well over the last 4 years. While Reigate and Banstead Borough Council were the lead authority on the procurement process in 2018, this time Tandridge District Council have offered to be the procurement lead.
6. Due to the high value of the contract and the fact that any change of provider would involve a number of staff in TUPE arrangements, the procurement has a long lead time and would also require potentially require a long handover and implementation period. It is thus necessary to begin the process early in 2023, to ensure all stages are completed in sufficient time.
7. One of the key 'Lessons Learnt' from the 2018 procurement, was that it was very difficult to complete an effective handover of provider in December – January. Consideration is therefore being given to seeking a short extension to the current, final term, so that it ends on 31<sup>st</sup> March 2024, rather than the current 8<sup>th</sup> January 2024. This will be progressed in due course by means of a contract variation, subject to all parties agreeing. This potential extension would not however affect the overall procurement timetable.
8. When the services were last tendered in 2018, the value was such that the tender was required to be published via the Official Journal of the European Union (OJEU). Since the Brexit transition period ended on 31 December 2020, the OJEU ceased to

apply to UK organisations, and so the tender will instead need to be published via the UK 'Find a Tender' service.

## **Key Information**

### **Home Improvement Agency and Handy Person Services**

9. Both Home Improvement Agencies (HIA's) and Handy Person Services (HPS) have the overall aim of enabling those in need of support to maintain their independence in their home for the foreseeable future, and to help them to live in a warm, weather tight, safe and secure home, contributing to improved quality of life, health and wellbeing. Services are primarily used to assist older or disabled people or people on low incomes with additional needs to retain their independence, and are tenure neutral.
10. An HIA achieves these aims by supporting people throughout the repair, adaptation or improvement process. This can include the direct provision of repair and maintenance services, preventative initiatives, and providing advice on accessing appropriate, including private, finance or alternative accommodation and housing options. A core function is managing the DFG process.
11. Most people, regardless of age or disability, prefer to remain living in their own homes for as long as possible. However, a person's home sometimes becomes unsuited to their needs because it has fallen into disrepair or because the occupier gains a disability. Unfortunately, organising the necessary repairs or adaptations to unsuitable homes can often be a complex and distressing experience for older and disabled people. An HIA can help people face these problems by offering the level of support required by vulnerable occupiers to organise the financial and practical details from start to finish. This may range from relatively simple adaptations such as installation of a stairlift or level access shower, to major adaptation of a property, often costing tens of thousands of pounds.
12. Handy Person Services carry out basic repair, improvement or adaptation tasks to support independence in the home. These services aim to prevent accidents and illness which could result in admission to hospital and facilitate early discharge from hospital for in-patients and prevent readmission. HPS also undertake appropriate assessments of a client's wellbeing in order to determine where they may be signposted to access other relevant services.
13. Millbrook currently provide both HIA and HPS for the Council and the procurement process would again seek a single supplier to provide both service elements.

### **The Council's Role in Housing Assistance**

14. The Council itself is directly involved in the provision of housing assistance services at a number of stages, with this function sitting within Environmental Health. At a strategic level, the Council sets the policy direction for the level of discretionary assistance that is offered, via the Housing Assistance Policy. The HIA and HPS contract is managed by the Environmental Health Manager, including performance monitoring and onward reporting to SCC and LJCG's.
15. The Council must also complete annual returns on DFG activity to the Ministry of Housing, Communities, and Local Government. This includes information on

timescales for delivery, which is impacted directly by the operation of the HIA provider, and is a key focus of the contract management process. The Council holds the DFG budget and is responsible for managing the spend on this and ensuring it is used correctly and in accordance with the terms of the grant determination.

16. On an operational level, the Council has a 1 FTE Housing Improvements Officer. This role is responsible for processing incoming grant applications from Millbrook for approval by the Council, for processing and payment of grant monies and fees on completion of the works, and for liaison with Millbrook on case queries throughout the process. This will focus on the application of the Housing Assistance Policy and grant legislation to the circumstances of cases i.e. advising if something is eligible for funding or not. The retender would not change any aspects of the service that the Council itself delivers.

### **Role of Surrey County Council in HIA and HPS**

17. Surrey County Council (SCC) commission each of the Surrey Council's to provide HIA & HPS services in their areas, and provide some funding towards this provision. This is covered by Service Level Agreements which set out the service scope, eligibility criteria etc as a baseline. Under the terms of the agreement, quarterly monitoring returns are provided to SCC, and in the case of the HPS return, to the Local Joint Commissioning Groups (LJCG's). This is because HPS is considered to be a key component of Better Care Fund strategy to commission a range of prevention and early intervention services across Surrey and as such performance and activity reports are scrutinised and reviewed by LJCGs. The commissioners wish to ensure access to a consistent, high quality handy person service across all of the districts and boroughs in the County.
18. The other key aspect in which SCC are involved in the HIA and HPS is through the work of the Occupational Therapy teams in both Adult Social Care and the Children with Disabilities teams. The Occupational Therapists (OT's) assess client needs and make recommendations, which in the case of Major Adaptations, are progressed as potential DFG's. OT's submit their reports to the HIA, who then make contact with the client to assess financial eligibility for grant assistance and to start the grant process. Liaison with the OT's is a key part of the DFG process, and is primarily done by the HIA on a day to day basis.
19. If Major Adaptations are not required, the OT's may still refer clients to the HPS, and particularly to the Safe and Secure Grant, a Reigate and Banstead Borough Council scheme providing up to £3,000 of handy person works to eligible clients, which can provide smaller scale works.

### **Outsourced Services**

20. The HIA & HP service has been outsourced for many years, with the last procurement exercise completed in 2018. It is considered that this arrangement is the most effective and economical way for the Council to deliver these essential services, as to deliver them directly would require the creation of an extensive new team and support infrastructure, also involving legal and financial work e.g. the creation of client-contractor contracts and invoices.
21. The key personnel required to provide the necessary range of services are an Agency Operations Manager, Case Worker(s), Technical Officer(s), Handy Person

plus administrative support. There are currently 9.5 full time equivalent staff engaged on this contract serving the three Council's. The main elements of the DFG process, which is the mainstay of HIA work, include;

- assisting service users with grant applications
- carrying out financial means testing
- drawing up schemes of work to meet the identified needs of the client
- preparing drawings and specifications
- tendering the larger jobs to approved contractors
- selecting and project managing contractors
- checking and signing off completed work
- preparing invoices from contractors and for technical fees

22. This range of work requires a wide skill set and considerable experience. Using an outsourced provider who is a specialist in HIA and HPS means that this challenging and important work is delivered by subject experts. In the case of the current provider, this is a national company with the benefit of peer support from its other HIA branches.

23. The contract was jointly procured with Mole Valley and Tandridge District Council's in 2018, to increase the attractiveness to potential bidders, by allowing them and the commissioning Councils to achieve some degree of economy of scale. Although each Council has its own contract, the service is jointly contract managed and all three Contract Managers strive for consistency across the geographical areas covered, notwithstanding that there are differences between the Housing Assistance Policies of each Council. This degree of cooperation, support and service resilience has been invaluable in managing what is a wide ranging and sometimes challenging service, and is something that is strongly desired to continue.

## Options

24. Executive has the following options:

**Option 1:** Agree the recommendation to approve the procurement by retender of Home Improvement Agency and Handy Person Services, including the award of the contract, in accordance with the outcome of the procurement process. This is the **recommended option**;

**Option 2:** To not agree the recommendations. This would mean that the Council would be unable to continue to provide these services once the current contract expires in early 2024 and is therefore **not recommended**.

25. Rationale:

Option 1: approve the procurement by retender of Home Improvement Agency and Handy Person Services, including the award of the contract, in accordance with the outcome of the procurement process – this is the recommended option. The services provided by an outsourced HIA and HPS could continue to operate, and the Council's Contract Procedure Rules would be met, as the procurement process would have the appropriate Executive authority to proceed and to award the contract.

Option 2: not to approve the procurement by retender of Home Improvement Agency and Handy Person Services, including the award of the contract, in accordance with the outcome of the procurement process. The procurement cannot take place without Executive agreement, and without procurement the services would not be able to be provided once the current contract term expires.

### **Legal Implications**

26. The Council's CPR's govern all procurement activity and set the threshold values for the authority to procure and award contracts. The Home Improvement Agency and Handy Person Services contract is worth at least £600,000 over 5 years and as such requires Executive authority to award. In practical terms, the contract award flows from the outcomes of the procurement process, and so Executive agreement is sought at the outset to undertake the procurement including the award of the contract in due course.
27. There are legally required timescales for certain parts of the procurement process, for example notification of the outcome to bidders. It would not be feasible to return to Executive to seek agreement to award the contract part way through the procurement process, as this could not be achieved within the necessary time limits. Agreement is therefore sought in advance in recognition that the outcome and therefore choice of provider, will flow from the robust procurement process.
28. The Council has a statutory duty under the Housing Grants, Construction and Regeneration Act 1996 to provide adaptations to those who qualify for a DFG. The continued provision of HIA services is an integral part of this process, as it is a complex system and the vast majority of applicants require the assistance of the agency to turn the OT's recommendations into a scheme of works and obtain and manage suitable contractors etc.
29. The funding provided by SCC and the Local Joint Commissioning Groups to commission HIA and HPS services is contingent on these services being delivered by the Council in accordance with the Service Level Agreements. If the Council did not provide these services via an outsourced provider, it would need to provide them directly instead.
30. The procurement exercise will need to consider and apply the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended), known as 'TUPE', if there is a change of provider. When the contract was last tendered in 2018, at which time there was a change of provider, a number of members of staff were TUPE'd into Millbrook Healthcare Ltd. The potential transfer of the current providers staff would need to be handled appropriately and sensitively throughout the procurement process.

### **Financial Implications**

31. The contract for provision of HIA and HPS currently has an annual capital budget of £0.120 million. This is paid as a quarterly block fee and covers part of the running costs of the agency i.e. premises, staff and operational costs. The contract price has been fixed at £0.120 million per year since inception in 2018.
32. It is anticipated that during retendering the contract price will need to increase, based on there having been no changes made in 5 years. It is not yet known exactly what

the new contract price will be, but a reasonable assumption is considered a 10% increase, broadly in line with current rates of inflation. This would potentially add £12,000 to the £0.120 million budget annually, i.e. £0.132 million per year.

33. Capital Programme growth for 2023/24 has been approved to cover an anticipated increase to the contract cost affecting the 4<sup>th</sup> quarter of 2023/24 i.e. January – March 2024. This is because the current contract is due to expire in January 2024 and so a new contract price may well affect the last quarter of 2023/24. It was highlighted in that submission that it was anticipated that a further growth bid will be submitted during the 2024/25 Service & Financial Planning process, to cover the anticipated increase to the contract price once this has been established during 2023.
34. SCC provide part of the funding for provision of HIA and HPS. Currently this is £32,572 annually for HIA and £30,993 annually for HPS, £63,565 in total. The Service Level Agreement states that Councils should consider efficiency gains including collaboration with other neighbouring services in the form of 'cluster' arrangements. The jointly procured and managed service with Mole Valley and Tandridge District Councils is in line with this approach and has allowed for some economy of scale e.g. Millbrook currently utilise two Technical Officers between three Council's, while the three councils would all need one each if they did not operate a 'shared' provider.
35. In addition to the block fee element, HIA's also charge a technical fee element on DFG's that they manage. Under the current contract, this is 15% of the value of each DFG and is paid for out of the DFG allocation. DFG's and the vast majority of the Council's housing assistance programme, are funded by the government allocation ringfenced for this purpose, the Better Care Fund, Housing Capital Grant.
36. This is a combined fund provided by the Department for Levelling Up, Housing & Communities and the Department of Health and Social Care, to enable councils to assist residents to access housing improvements and adaptations, which will enable them to live independently at home, for as long as possible. This Council received a Better Care Fund grant of £1,286,692 in 2022/23, and expects to receive the same amount in each of the next two financial years.
37. Under the terms of the grant determination, it is allowable to use it for the payment of the technical fee element, but it is not possible to use it to fund the block fee element. This is therefore a Council cost, supported by the partial funding from SCC.
38. The alternative to retendering the HIA and HPS contract would be to take provision of all of these services inhouse and provide them directly. This would cost substantially more than the contract annual cost, in terms of salaries and on costs of the necessary new personnel. To deliver the full range of services in house would require employment of an Agency Manager, Case Worker, Technical Officer and Handy Person plus a Business Support Officer.
39. Some of these might need to be TUPE'd from the current service provider and although their current salary costs are not known, basing costs on equivalent Council staff grades and considering information available from the 2018 TUPE, it is calculated that with on-costs this could add around £211,500 a year to the revenue salary budget. The addition of a whole new team and service function would also require additional operational revenue budget, including for purchase of a new



software system to manage the casework requirements. Additional office space would also be required to accommodate a new team.

40. On top of the basic staff costs, the handy person service would require the operation of a new additional van, estimated to cost around £6,500 per year (based on current costs of operating a Cleansing service van). Materials would also need to be purchased and workshop space found for storage of materials and equipment. This would all require further operational budget.
41. There are no opportunities to operate an in-house shared service with neighbouring Councils, as both Mole Valley and Tandridge District Councils have confirmed their intention to continue with an outsourced provider.
42. Continuing with an outsourced provider removes the requirement for substantial revenue budget growth and would avoid needing to accommodate a large new team and associated vehicle and equipment, all of which would have new, additional costs for the Council.

### **Equalities Implications**

43. An Equalities Impact Assessment has been completed and the proposals would have an overall positive impact, particularly for those with the protected characteristics of age and disability, as well as in relation to deprivation, which is considered as an additional vulnerability.
44. If accepted, the proposals will assist vulnerable residents (including those with protected characteristics, such as the elderly and those with disabilities) to live independently and are likely to result in lower numbers of emergency hospital admissions for older and disabled people, due to falls and other accidents. Acceptance of the proposals will have no negative impacts on any group in the community, but rather the opposite.

### **Communication Implications**

45. There would be limited communications implications for the retender itself, as the procurement process would run in parallel to the continuing day to day operation of the current services. The procurement process has its own requirements regarding communication with potential bidders and these would be followed at all times, but would not involve the Council's Communications team or the wider community.
46. If the outcome of the procurement was to be a new service provider, this would require a communications strategy as part of the handover and implementation process, to ensure all existing partners e.g. SCC OT's, clients and suppliers were kept informed of what was happening and how the changeover would work. The outcome of the procurement process cannot be known at this stage, but all bidders would be asked to provide details of how they would manage any transition and implementation phase, including wider communications, as part of the tender submission for evaluation.

### **Environmental Sustainability Implications**

47. The HIA and HP service contributes towards sustainability objectives by supporting vulnerable residents to adapt and improve their homes, which can include energy efficiency improvements via the Small Works Assistance programme, contributing to a reduction in carbon emissions from the borough's housing stock.
48. Potential service providers physical location will be considered as part of the procurement process, to ensure that they are situated locally, so as to be convenient for the home visits that are a requirement of this type of service, and to minimise the environmental impact of such travel. However we will not restrict the bids to suppliers based in their local area as this would contravene the Procurement legislation.

### **Risk Management Considerations**

49. Failure to retender in sufficient time or the failure of the procurement process would be a significant risk for the Council. The services provided, particularly provision of DFG's, are statutory services and cannot be sourced elsewhere or at short notice. In addition, vulnerable clients rely on there being a professional HIA in place to manage their grants and the home improvement process, and the absence of this service would cause real hardship and practical difficulties for many clients.
50. This would expose the Council to escalated complaints, including potentially to the Local Government Ombudsman, and to withdrawal of funding from SCC if the services were not being adequately delivered.
51. These serious risks can be avoided by confirming that the procurement process may proceed and by following all due diligence and professional advice during the actual procurement process. On this occasion, the joint procurement is being led by Tandridge District Council, with officers from both Reigate and Banstead and Mole Valley Council's on the Procurement Project Board. A full project plan is being developed, including Risk Register and Key Milestones, and regular Project Group meetings are scheduled to ensure the process runs smoothly and to time.

### **Human Resources Implications**

52. If the procurement process is approved to proceed, there are no other implications identified.
53. If it was not approved (not recommended), there would be significant staffing and human resource implications, as the Council would need to arrange an alternative model of service provision by bringing the services back in house and providing them directly. This would involve TUPE of a number of the current service providers staff, so would need substantial Legal and Human Resources support.

### **Consultation**

54. There has not been any formal consultation with partners or stakeholders regarding the proposal to retender the services. The services have been delivered by an outsourced provider for more than 10 years and like all contracts are subject to expiration dates which require them to be retendered periodically. This in itself is not a matter which can be influenced by external partners.
55. During the procurement process, there will however be engagement with all relevant stakeholders. This has already started with the current service provider, who is aware

that the contract is due to expire in January 2024 and that the Council's must undertake a retender doing 2023. The current provider has indicated their clear desire to bid to retain the contract.

56. The Project Board will also engage and consult with SCC, to ensure that the service specifications continue to meet the requirements of their Service Level Agreements for provision of funding. There is regular communication with the OT services, and this will include ensuring that they are kept apprised of the progress of the procurement process. This would become particularly significant if there was to be a change of provider, as the transition and implementation process would require close collaboration with the OT's.
57. The Project Board will also engage and consult with Foundations, the National Body for Home Improvement Agencies, operating under contract to the Department of Levelling Up, Housing and Communities to oversee a national network of nearly 200 Home Improvement Agencies (HIAs) and handyperson providers across the country. Through their Regional Advisor, the Board will be able to seek advice and opinion on the service specifications etc. Such input was invaluable during the last retender in 2018.

### **Policy Framework**

58. The retender of the HIA and HP services is well aligned with the themes and priorities of the Councils Five Year Plan, 'Reigate and Banstead 2025'. In particular the objective to provide targeted and proactive support for our most vulnerable residents, which states that the Council will assist vulnerable residents to remain in their homes and avoid problems such as social isolation and fuel poverty, through early assistance and the provision of advice, grants and other financial support. The continued delivery of HIA and HPS fulfils these objectives.
59. It is also aligned to the objective of being a financially self-sustaining Council. Continuing with the delivery of services via an out-sourced provider is less costly to the Council than delivering them directly, which would incur significant revenue budget growth and remove the current economies of scale of a shared service.

### **Background Powers**

1. Corporate Plan 2025 - [https://www.reigate-banstead.gov.uk/info/20205/plans\\_and\\_policies/280/reigate\\_and\\_banstead\\_2025](https://www.reigate-banstead.gov.uk/info/20205/plans_and_policies/280/reigate_and_banstead_2025)
2. Equality Impact Assessment