

**CONSULTATION ON THE SUPPORTING PEOPLE REVIEW OF HOME
IMPROVEMENT AGENCIES
(Report by the Head of Housing Services)**

1. PURPOSE OF THE REPORT

- 1.1 To respond to consultation on the Supporting People's County-Wide Review of Home Improvement Agencies (HIAs).

2. BACKGROUND TO THE REVIEW

- 2.1 Supporting People (SP) is a programme which funds, monitors and reviews housing related support services for vulnerable people. The SP grant is used to pay for services aimed at helping vulnerable people to live independently in their homes.
- 2.2 HIAs in Cambridgeshire are funded by Supporting People; the PCT; Cambridgeshire County Council; and for HDC's HIA this Council. Additionally, fees are charged on the capital works undertaken in homes. The capital grant is funded in part by CLG and part by the local authority.
- 2.3 A review of Home Improvement Agencies (HIAs) across the county was commissioned by Cambridgeshire's Supporting People's Commissioning Body as part of its wider strategic review of services. Each service commissioned will be reviewed at some point. This is the second review of HIAs, the first being in 2004/05.

3. THE REVIEW

- 3.1 The Review report is attached. The 'Key Findings' of the Review are at the beginning of the document, with the supporting information in the body of the Review.
- 3.2 The Review was undertaken by a group of officers representing all the funding bodies; in addition to staff from the HIAs and 'Foundations', the national body for HIAs.
- 3.3 The consultation deadline is 6 August 2008. A suggested consultation response is attached at Annex A.

4. IMPLICATIONS FOR HUNTINGDONSHIRE'S HIA.

- 4.1 In general, the Huntingdonshire HIA compares favourably to other HIAs with regards to volumes of works carried out and the cost of works. All HIAs are rated high on the quality of service provision.

- 4.2 The most significant implication for this Council's HIA is that the Supporting People's Commissioning Strategy (approved by all of the partners) is based on services being exposed to competition in order to ensure value for money. Delivery of this Strategy, in the case of HIAs, relies on the full support of all funders because effectively it will be joint procurement. For competition not to be applicable to HIAs the Commissioning Strategy would need to be modified.
- 4.3 The Review recommends that any new contracts resulting from procurement should not commence before 1 April 2010, which is when the current Supporting People contract expires. If the Commissioning Strategy is applicable then EU procurement rules would apply, therefore, the County's own exemptions to contract regulations would not be applicable (Appendix 7 of the Review report).
- 4.4 In addition to Supporting People grant, the County Council also pays a contribution from a different budget known as 'Prevention Grant'. The PCT has indicated that, due to their budget pressures, they would be willing to test the market but that there is not a mandatory requirement at this time. In 2007/08 these combined contributions totalled £80,135. In addition this Council contributed £64,539; and fees of £94,400 made up the funding total to £239,074.
- 4.5 The Review consultation seeks the views of this Council on whether it is willing to enter into a joint funding agreement and to market test the HIA service. Potentially if this Council were to object to the market testing of the service then two, if not three, of the other funders may withdraw their financial support, leaving the Council with a significant funding deficit.
- 4.6 It is the City and district councils that have the statutory duty to administer DFGs, albeit that DFGs do not have to be delivered by an HIA. However, the provision of a HIA is the nationally recognised way of supporting vulnerable people through the procurement of adaptations to their homes, providing advice, and accessing other funding sources for applicants. The HIA also delivers part of the Council's *Private Sector Housing Strategy* by the provision of discretionary grants, technical inspections for landlord grants, and signposting to other services.
- 4.7 If it were decided not to enter into market testing then potentially an MTP bid would be made to make up for any funding shortfall. The market testing of HIA services has the potential to deliver savings to funders.
- 4.8 This Council's HIA has five staff. If testing the market is agreed then, at a later date, the council will need to decide whether an in-house bid would be made for the current contract area (Huntingdonshire) and/or bid for different geographic areas

individually or jointly with other HIAs or other potential bidders. If an in-house bid was not made or was unsuccessful then, in the opinion of officers, TUPE would apply and staff would be transferred to the successful bidder.

5. RECOMMENDATION

That Cabinet consider the draft consultation response at Annex A.

BACKGROUND INFORMATION

Contact

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Consultation Questions

- 1. Do you agree with the key findings in the report? If not, please provide supporting reasons.**

The key findings appear to be an accurate summary of the significant issues in the body of the report.

- 2. Is anything missing from the Review that you feel is relevant and should be considered?**

It is disappointing that the PCT were unable to provide an estimate of when equity will be reached in OT assessments throughout the county.

There is not mention of equality and diversity and whether the customer base of each HIA is proportionate to the diversity of the population, relative to need.

- 3. Are there any items that should be included or deleted from the draft Action Plan? If so, please provide supporting reasons.**

No.

- 4. Please add any general comments that you may have.**

The review seemed to be thorough but consideration could first be given to shared services across the county as opposed to market testing. Please see below.

The next questions are for Commissioners (the funders of HIAs) to complete.

- 5. What are your views on entering into formal joint commissioning of HIA services for the length of the contract (irrespective of market testing the service)?**

The district council recognises that it would be beneficial to get certainty of funding over a longer period from other sources, in particular the PCT and adult social care via 'Prevention Grant'. The report gives illustrations of how the 'prevention agenda' works carried out via HIAs saves money far in excess of their financial contributions. Indeed there is a case for increased financial support from the PCT and social services' 'Prevention Grant'.

The district council looks on its HIA as a main stream service and as such the service is no different to any other service provided by

the council in that financial provision is made in medium term planning and is subject to annual agreement by the council of budgets for the following year.

This council agrees that it would be beneficial to have a formal joint funding agreement between Supporting People, 'Prevention Grant' and the PCT. It is these funding streams that are uncertain.

6. Do you agree to the market testing of HIA services for a proposed contract commencement April 2010? Please provide supporting reasons.

Whilst all commissioners are keenly interested in delivering improved customer care, greater efficiency and/or lower costs this council is not convinced that the market testing of services is necessarily the best way forward. However, it is recognised that if the Supporting People Commissioning Strategy is adhered to then EU procurement rules would also be applicable, and they cannot be circumvented.

It is this council's belief that if two or more authorities came together to provide services not to each other but to the general public then it may be possible for one authority to grant aid another, without needing to procure under the EU regime such as is done by the PCT and 'Prevention Grant', and previously by Supporting People. However, if this is true then it would be contrary to the Supporting People's Commissioning Strategy. However, it would be within remit of the Commissioning Body to modify their Commissioning Strategy.

This council would like to make the following points.

The HIA structure locally is relatively small at 5 employees. The main operating costs for an Agency are its staffing budgets and overheads. Formal contract specifications and contract conditions tend to make small operations such as HIAs add cost to tenders because of their potential contracted liabilities. A service contracted for the same geographic area is unlikely to drive down cost. Indeed the cost of tender preparations is likely to add to their overheads and/or their direct costs or reduce productivity whilst time is taken up on tender preparation.

To be able to make any savings via tendering it is apparent that there will need to be some staff and/or overhead reductions. At a local level the Agencies independently have arrived at the same relative staffing levels. Four or five staff seems to be the required level of staffing for a local delivery team despite what appears to be different volumes of work carried out by each HIA. Therefore, to deliver any saving from a tendering exercise HIA services would need to be delivered in a different way across the county.

Larger HIAs serving more than one geographic area would potentially provide some rationalisation of staffing structures. This would assist with what seems to be disproportionate outputs from similar staffed HIAs. The optimum for staff saving would potentially be for one HIA to cover the county. Of course providing a local presence and maintaining the existing high level of quality would be prime considerations.

There are also TUPE considerations. Staff earnings would be protected, therefore, any tenderer (internal or external) would need to reflect existing staffing costs (not overheads) however they are aggregated via geographic areas. Therefore, the scope for significant tender savings is reduced except for long duration contracts.

An alternative to market testing could be shared services across the county which could potentially drive out some targeted savings, over time, by natural staff turnover and efficiencies. Perhaps with a cost reduction target similar to that which might reasonably be expected from any market testing exercise, which has been undertaken and achieved savings elsewhere for similar services. This approach would require the Commissioning Body to modify its Commissioning Strategy.

If a modification to Commissioning Strategy is not considered appropriate then the assumption would be that EU procurement rules apply. Under these circumstances this council would be prepared to test the market on the assumption that costs would be no greater than predicted at April 2010, and the quality of service would not be less than currently provided to the residents of Huntingdonshire.

This council would expect the cost of specification and procurement to be met by Supporting People because it is the instigator of market testing.