Procuring Home Improvement Agency Services

Good Practice Guide and Procurement Toolkit for Service Commissioners

foundations
THE NATIONAL CO-ORDINATING BODY FOR HOME IMPROVEMENT AGENCIES
Foundations staff are frequently asked for advice about procuring Home Improvement Agency (HIA) services and as a result, we have gained a great deal of experience in working through what can sometimes become a disproportionately complex process. Funding for HIAs often comes from several sources. This makes them one of the few jointly commissioned services within the Supporting People programme, and requires strong partnerships and effective joint working to ensure their success. As a result of the kind of queries that we receive from commissioners and stakeholders, we have put together this guide as a useful reference point to help guide readers through the procurement process, focusing on the points of particular interest to HIAs.

The guide is divided into four sections and we hope it is structured in such a way as to allow users to ‘dip in’ at a point that is relevant to them and to their situation. We have provided information and offered our view on the effect of changes in public procurement law that seek to open up the choice of potential suppliers to the public sector by creating a competitive marketplace. We have also provided case studies, tips and checklists where possible. The guide should be used alongside the comprehensive ‘Communities and Local Government Guide to Procuring Care and Support Services’, which provides a detailed overview of the whole procurement process.

Essentially the process of procurement is about translating the vision of commissioners into a reality. There are many factors that will influence the process – available resources, local politics, provider capacity, procurement law and other legislation, to name just a few. As National Coordinating Body for Home Improvement Agencies, we want to see these services develop and thrive, and the quality of the commissioning and procurement process is of fundamental importance to their future sustainability. Commissioners can help enormously in the way that they approach the procurement process and in building the capacity of a limited pool of providers.

In a relatively short time HIA services have moved from a world where their ‘core’ funding was provided through a centrally administered grant with strict conditions, to a locally determined, openly competitive contract environment, where they are monitored through a wide range of targets and performance measures. At the same time the sector must meet the challenge of re-structuring into larger, more robust units that are able to deliver a range of low-level preventative services to an increasing number of clients who may want to directly purchase their support in the future. It will take time for a small sector to adjust to these changes, whilst continuing to maintain their traditional client focus. We are committed to achieving a mixed market of HIA providers acting in a socially enterprising manner. Your work and your choices will have an enormous bearing on that aspiration.

A number of individuals and organisations have been generous, and brave, enough to allow us to draw upon their work in putting this guide together and I would like to take this opportunity to acknowledge their contributions and to extend my gratitude to them all.

Tony Molloy
Director of Foundations
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Section One: Defining the Service

1.1 Introduction

Home Improvement Agencies (HIAs) are locally based not-for-profit organisations. They assist older, disabled and vulnerable people to remain living in their homes independently by helping them to repair, improve, maintain or adapt their home.

There are approximately 250 HIAs in England, covering 323 local authority areas. This means there is approximately 90% coverage of HIA services in England. There are also similar organisations in Wales, Scotland and Northern Ireland.

Funding for HIAs has changed significantly with the implementation of Supporting People Programme (SP) and the Regulatory Reform (Housing Assistance) Order 2002. SP has brought together all the disparate funding pots traditionally used to pay for housing related support into one single pot, administered locally, working to priorities set within each Administering Authority. Grants from this fund pay for accommodation-based support services and there is now a much wider range of services provided by HIAs that could be eligible for SP grants.

1.2 The Three Different HIA Management Structures

Home Improvement Agencies operate independently from each other, which means that they not only have varied management structures, but they also offer a range of services, with no two HIAs being exactly alike.

There are three main types of management structure:

Managing Agents

The majority of Home Improvement Agencies are managed by Registered Social Landlords (RSLs), such as Anchor Trust or Hyde Housing Association. HIAs managed by Managing Agents operate independently from the local authority, but not independently from their managing organisation.

Independent

Independent Agencies are locally owned community-based organisations. They operate independently from the local authority and depend on a diverse range of funding streams for survival.

In-House

Some Home Improvement Agencies are run as part of the local authority, often having evolved from a grants department. Increasingly HIAs that are run as in-house agencies have set up intermediate management groups to enable them to act with a degree of independence from the local authority.

Commissioners can help to create a mixed market of HIA providers acting in a socially enterprising manner, making best use of limited public resources and leveraging in private funds where possible and desirable. This guide is useful only where a decision is taken to provide a service externally rather than through an in-house agency, or by developing a new organisation.
1.3 Service Description for Commissioners

Although HIAs offer a diverse range of services, the following outlines the minimum service that a commissioner can expect from a HIA:

Targeting the client group

The HIA will, together with the relevant Local Authorities, identify vulnerable people living in poor or unsuitable housing in the local area. This will usually include older people, people with disabilities, and those living on a low income, but may include others. Once the client group is established the HIA will actively publicise and monitor its service to potential users and other professionals, and take steps to ensure that it is accessible to all sections of the targeted client group.

Services to individual clients

General Advice

To assess the client’s needs, HIA staff will usually visit the client in their own home, and offer appropriate information and advice on problems relating to their property, housing options, completion of any necessary forms, legal entitlements and other available support services.

Finance

Clients will also be given information about various financial options and their implications, and practical assistance in raising funds. This can include:

- Availability of grants from statutory bodies
- Releasing equity and accessing loans
- Obtaining independent financial advice
- Accessing charitable funding
- Benefit entitlement
- The effect that certain options may have on benefit entitlement
- Insurance claims
- Savings.
Technical Advice
Reliable technical advice will be available from the HIA, which will include:
■ Home visit and inspection
■ Advice on the scale and cost of any necessary works
■ Help with choosing a reputable and reliable tradesperson
■ Monitoring the tradeperson’s performance
■ Appropriate contracts and documentation.

1.4 Ancillary Services
Many HIAs offer far more than the minimum service. Many have also developed a wide range of additional services including:
■ Handyperson Schemes
■ Benefits Advice
■ Home Safety Checks
■ Energy Efficiency
■ Hospital Discharge Schemes
■ Falls and Accident Prevention
■ Gardening and Decorating
■ Housing Options or ‘Move On’ services.

Falls & Accident Prevention
Government policy is directed at maintaining older people’s health and independence by preventing unnecessary ill health. HIAs can make a person’s home safe by carrying out repairs and adaptations to prevent falls. These works may be very small such as securing a loose carpet, or installing a grab rail, but can prevent serious injury or admission to hospital. With a relatively small amount of funding, HIAs can deliver these services, often as part of a Handyperson scheme.

More information is available about this in the booklet ‘HIAs Delivering Government Strategies: Falls and Accident Prevention’ which is available on the Foundations website.

1.5 Quality Assurance
Standards of service quality for HIAs can be assured through a number of mechanisms:
■ The National Quality Mark Scheme, sponsored by Communities and Local Government and administered by Foundations
■ Local client satisfaction surveys or service user focus groups
■ Advisory groups consisting of funders, partners, service users and their representative organisations to monitor and advise on maintaining and improving service standards locally
■ Local review mechanisms such as the Supporting People Quality Assurance Framework.
Section Two:
Why Commission a HIA Service?

2.1 Introduction

Home Improvement Agencies can offer a cost effective service to commissioners. This service not only represents good value for money, but also often represents added value, as many services are cross cutting, and can help deliver government-led strategic policies at the local level.

2.2 HIA Services Can Help Deliver Government Strategies

HIAs traditionally offer practical expertise in relation to improving homes. The links between housing and health have long been recognised, and government initiatives like the Decent Homes Programme have meant that local authorities are prioritising improving the quality of housing stock of all tenures, and setting target for removing hazards that can cause injury or ill health.

“By 2010 to bring all social housing into decent condition with most improvement taking place in deprived areas, and increase the proportion of private housing in decent condition occupied by vulnerable groups” – White Paper 2002 Spending Review – Public Service Agreements

Communities and Local Government policies and programmes that can be delivered by a HIA include:

- Private Sector Renewal, including Decent Homes
- Equity Release – an increasingly important factor in funding private sector renewal and home adaptations especially given demographic pressures
- Disabled Facilities Grants (DFGs) – HIAs currently deliver around one quarter of all DFG grants
- Supporting People outcomes
- Local Area Agreement objectives.

Wider cross-government programmes and Public Service Agreements that HIA services support include:

- Department of Work and Pensions (pensioner poverty – benefits checks)
- Department for Environment, Food and Rural Affairs (fuel poverty and energy efficiency – Warm Front)
- Department of Health (target to support people to remain independent in their homes, falls and accident prevention, hospital discharge and delivering services to those with age-related mental health needs)
- The Home Office – (crime reduction and community safety measures)
- Department of Culture, Media and Sport – (identified as an agent in the digital switchover process).
2.3 HIAs Deliver Joined-Up Services

HIAs work alongside other providers within the housing, health and social care sector to deliver joined-up services and ensure that the client is supported by offering signposting and referral schemes.

Government are keen to develop joined-up services to accommodate service user needs. A person’s needs rarely fit neatly into one service delivery unit, and the result can be a confusing array of service provision. For example, poor housing, fuel poverty and low income can have an impact on a person’s physical and mental health, yet a benefit entitlement check may not only bring in more income for that person, but may mean that they are eligible for a heating or building repairs grant for their home. A HIA can help a client through all these different processes, often acting as a single point of contact throughout.

2.4 HIAs Deliver Preventative Services

Developing a preventative agenda remains high on the government’s list of priorities. Installing simple preventative measures to a home such as a door chain to deter distraction burglars, a grab rail to prevent falls or examining ways to increase energy efficiency are all services that can be delivered by HIAs alongside their core work.

**Prevention of Crime**

For older people, becoming a victim of crime can seriously impact on behaviour and health. Lifestyle changes may include a reduction of social activity, and health can decline at a faster rate than non-victims of a similar age. For example, distraction burglary accounts for 6% of all burglaries, a high proportion of which are perpetrated on older people.

HIAs can help vulnerable people steer clear of rogue traders, distraction burglaries and doorstep fraud by providing ‘trusted contractors’ either through a Handyperson scheme or by sharing its approved contractors list with the community.

Some HIAs work in conjunction with their local Crime Prevention Officers as part of the Handyperson service, to supply and fit distraction burglary kits in the homes of older people. The aim of the kits is to enable people to see who is at the door and to check ID before letting visitors in. Distraction burglaries take place when the occupier is distracted at the front door while an accomplice enters the property from the rear. Alarms can also be fitted to the rear door, or sometimes a lockable gate is fitted to the side of the property to hinder access.

Many HIAs also run gardening schemes for older and disabled homeowners. Well-maintained gardens draw less attention from would-be burglars and as a result, reduce the vulnerability of the occupants. In addition to cutting back overgrown gardens that might hide potential burglars, the addition of defensive planting such as prickly shrubs can actively deter them.
2.5 HIAs Can Access Traditionally Hard-To-Reach Groups

The Social Exclusion Unit report 2005 ‘A Sure Start to Later Life: Ending Inequalities for Older People’ highlighted HIAs as key agencies in combating social exclusion among older people. For the year 2005/06, the national proportion of agency work delivered to different client groups is shown in the graph below:

Home Improvement Agencies are experienced in working with these groups and customer satisfaction levels measuring HIA services are usually very high. This enables a relationship of trust to build up between HIA staff and the client, meaning that once a client has been reached, further interventions will be delivered over time if needed.

2.6 HIAs ‘Lever In’ Additional Income

Home Improvement Agencies undertake work to people’s homes to support independent living and this includes ‘levering in’ additional income to pay for these works. In 2005/06, this can be broken down as follows:

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<tr>
<th>Value of Work 2005/06</th>
<th>Value (£)</th>
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<tr>
<td>Works funded by Local Authority Grant</td>
<td>26,234,175</td>
</tr>
<tr>
<td>Works funded by Public Sector Loan or Repayable Grant</td>
<td>1,719,570</td>
</tr>
<tr>
<td>Works funded by Disabled Facilities Grant</td>
<td>54,363,097</td>
</tr>
<tr>
<td>Works funded by the client or relatives</td>
<td>9,763,335</td>
</tr>
<tr>
<td>Other (e.g. charitable sources or hardship fund)</td>
<td>7,471,683</td>
</tr>
<tr>
<td>Total Annual Value of Works</td>
<td><strong>£99,551,860</strong></td>
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Why Commission a HIA Service?

The total Supporting People Grant in 2005/6 was £1.7 billion.

The total allocation to HIAs within this budget was £10.5 million (0.62% of the total)

Yet the additional income ‘levered’ in by HIAs represents 5.85% of the total Supporting People allocation for the year.

This does not include the other financial contributions that HIAs can make through their work on benefits entitlement and many other increasingly important ancillary schemes. Accessing private finance, for example through equity release products, is expected to increase as products become more accessible to the HIA client group. At present less than 3% of all work is funded by clients using the equity in their own homes.
Section Three: The Decision Making Process

3.1 Introduction

We hope that by now you are convinced that HIA services can offer value for money as well as strategically relevant services. Whether you are in one of the few areas that do not already have an existing HIA, or you are starting to think about ways to expand or reconfigure current services, this next section is for you!

We will provide a brief overview to some of the factors that commissioners need to consider when deciding what kind of service they want, provide some guidance to European Union law and how this can impact on procurement decisions, and then look briefly at the choices that commissioners have in the kind of services they may wish to buy.

Although we cannot cover every factor determining your local decision making process, we hope that you find the following guidance helpful as a starting point. This leads into Section 4, the Procurement Toolkit, which will take you through some of the practical steps related to procuring a HIA service.

3.2 The Decision Making Process

3.2.1 Identify Local Need

Why do you need HIA services in your area? We are an ageing population. The number of people over pensionable age is expected to increase from 11.4m in 2006 to 15.2m in 2031 – a rise of 33%. The government’s Right-To-Buy Scheme in the early 1980s opened up the opportunity to own houses to people from less advantaged groups. Since its introduction more than 1.5 million people have exercised their ‘Right To Buy’ option. This rise, coupled with a general rise in owner-occupation, means that for the first time the majority of older people own their own homes. Yet significant numbers of people are living in non-decent housing and there is an urgent need for resources to tackle poor housing.

Did you know?

- 5.4 million households within the private sector (31%) are classified as non-decent
- 1.2 million (43%) of vulnerable households (defined as those in receipt of income and disability related benefits) live in non-decent homes
- 35% of people living in non-decent homes are older people
- 25% of households in non-decent homes include someone who is long-term illness or disability.

Source: English House Condition Survey, 2001

Local authorities have to meet targets for reducing the number of non-decent homes within their districts, but commissioners also need to look ahead to predicted changes in local demographics when planning services, as well as identifying local gaps in service provision.
Lifestyle changes and consumer choice means that care homes may not be the first choice of support for future generations. Therefore, commissioning services that enable older people to live independently for longer within their own homes is not only cost effective but also strategically effective.

The Joseph Rowntree Foundation (2004) has projected that demographic changes will increase total UK spending on long term care from £12.9 billion to £53.9 billion by 2051— a rise of 315%!

Practical information relating to carrying out a local needs assessment is contained within Section 4.3 of the Procurement Toolkit.

### 3.2.2 Understand your Local Commissioning Environment

Understanding your local environment is key to commissioning services successfully. HIAs are mostly jointly commissioned as this enhances the opportunities to acquire robust and strategically relevant services delivering outcomes to a range of stakeholders. Re-commissioning HIA services provides an opportunity to re-examine the possibilities of joint commissioning and its potential to integrate and improve services across a range of health, housing and social support services.

**Case Study – Somerset HIA Commissioners Group**

In preparation for re-commissioning HIA services across the county of Somerset, the HIA Commissioners Group wanted to evaluate the scope for improved joint commissioning of the service. This led them to identify all the strategic objectives to which HIA services could contribute in the area including:

- The Local Area Agreement
- Supporting People Strategy
- Somerset County Commissioning Strategy for Services for Older People
- Crime Reduction Strategy
- Various Health Outcomes including: Improving health and mobility, maintaining independence, reducing admissions and the Practice Based Commissioning plan
- National Service Framework standards
- The Somerset County Private Sector Renewal Strategy
- District Housing Strategies
- Somerset’s Compact with the Third Sector.

**Commissioning within a Countywide Structure**

Within this two-tier structure, HIA services have traditionally been commissioned on a district-by-district basis, the commissioning model inherited by Supporting People in 2003. In many county areas this approach is still the norm, with housing departments (who on average put in 50% of the total running costs) taking the lead. This can however present some difficulties when county-based departments, such as Social Services, also wish to buy into the HIA service.

There may be little previous joint commissioning done by the two government tiers in a county and there will be understandable concerns about how much each of the parties commissioning the HIA should be paying towards the total contract cost.
Since HIAs are within the SP remit they should be strategically planned and contracted at a county level. For this to happen successfully however it will be essential that SP works closely with the housing authorities in the county to ensure that the required outcomes of all the funders are capable of being met.

**Case Study – Durham**

A good way to ensure effective joint commissioning in the counties is to have a HIA county steering group, usually with a SP chair. This group would be tasked with ensuring the HIA service contract meets all the commissioners’ requirements in conjunction with the information from the ongoing SP monitoring and review process and thus minimising any misunderstandings regarding service objectives and development. For example, funding for HIAs in Durham comes from a mix of Supporting People, social care and housing, as well as from health, although health funding is not consistent or sustained across all the localities. As well as a countywide group that meets regularly, Durham has also set up the first SP/HIA regional network group that meets on a quarterly basis. This meeting acts as a conduit between the work of the regional Supporting People meeting and all the HIAs in the north east region, and is the first group of its kind.

**Commissioning within a Unitary Authority**

Within unitary authorities, housing and social services sit within the same authority and there should be more of a history of collaborative working. There will also be fewer parties involved in any service review or re-commissioning. Therefore in most cases the task of reviewing the HIA service should be easier in the unitary context. In these authorities it will still be good practice for the HIA service to be steered by a joint commissioning group attended by the various departments wishing to benefit from the HIA service.

**Case Study – Bristol Care & Repair**

Bristol Care & Repair is an Independent Industrial and Provident Society set up to provide HIA services across the city of Bristol. The Director of the Agency reports to a Management Committee that has ultimate responsibility for the organisation. The Agency’s key services – Major Repairs and Adaptations, Handyperson, Urgent Response and Housing Options – are commissioned by a single service level agreement that brings together the 4 statutory funders of Adult Community Care, Supporting People, Neighbourhood and Housing Services and the Primary Care Trust. Senior managers from each of the funders meet jointly on a quarterly basis with Bristol Care & Repair to monitor, consult, evaluate and plan.

**3.2.3 Your Commissioning Choices**

Once you have identified your local need, and have an understanding of your local commissioning environment, you need to consider the service provider market within your district. Whether you already have a HIA service in your area, or wish to start one, the steps involved in commissioning and procuring a service provide an opportunity for strong input into shaping local service delivery.

Even when the commissioner wishes to re-commission the existing service, re-examining the service specification and testing the market for provision of those services is good practice. It can ensure not only that the commissioner is protected from legal challenge by acting in a clear and transparent manner, but also provide an environment that can stimulate innovation and new approaches to service delivery.
Commissioners may choose to build up their service from a range of current service providers within their area, rather than go straight to the open market. This may be particularly relevant where the local provider market is unable to effectively compete for tenders and smaller, or independent agencies may need extra support to develop their capacity and capability of competing for relatively high value contracts. Much of the HIA market is still immature, following the expansion and restructuring programme under the then Office of the Deputy Prime Minister (see Help Box Below), and the number of players within the market is still limited.

### Help Box

In 2002, the Office of the Deputy Prime Minister launched a consultation paper ‘Development and Reform’, to examine the structures and delivery of existing HIA services. It also allocated £4m to be spent between 2004-6 to restructure existing services, create opportunities for new services where none existed already and enable existing service providers to develop countywide services. Historically HIA services were often small organisations that had grown organically, and as a result of this were potentially vulnerable to changes in the commissioning environment. The introduction of the Supporting People Programme, the Regulatory Reform Order and its resulting loss of fee income for HIAs, and changes to the regulations surrounding public contracts for service provision mean that HIAs need a more robust structure in order to adapt to change.

In order to maintain a mixed market of providers capable of operating in a more sustainable way, commissioners have an important role in finding ways to preserve and protect the best of what the sector has to offer. For example, they can play a strong role in helping to stimulate the provider market, or help to build provider capacity where:

- commissioners have sought to safeguard existing outputs where it was felt that a procurement project would lead to diminished rather than enhanced services
- re-commissioning has been forced on officers at short notice by the withdrawal of a current provider
- the administering authorities are trying to incorporate valuable voluntary sector community organisations that may not be able to compete for a larger contract.

For smaller or independent HIAs, support to enhance capacity to compete may include encouragement to form partnerships or consortia, ensuring that providers can develop other forms of income outside the core contract or increasing their capital resources, for example, giving them office space.

### Case Study – Hampshire (New Forest DC, Test Valley BC, Winchester CC and Eastleigh BC)

In response to the recent procurement exercise of HIA services across Hampshire, InTouch, a large provider of HIA services in the South East of England managed by Hyde Housing Association, formed a partnership with a small independent HIA, New Forest Care and Repair. The partnership meant that New Forest were able to take part in the tender exercise for a much larger contract than it would have the capacity to take on, and it also protected this locally delivered service.

Of the 3 HIA contracts let across Hampshire, the contract covering the 4 districts in the west of the County (New Forest, Eastleigh, Test Valley, Winchester) was most closely contested. Commissioners and tenderers report the incorporation of an existing independent voluntary and community organisation within the larger bid by InTouch formed a significant part in the award of the contract as in terms of quality and price all submissions were competitive.
Even when a service is built from existing service provision, it should be subject to a formal tendering process at the point of contract renewal to meet the requirements of the EU procurement regulations.

**Case Study – Lincolnshire**

Commissioners in Lincolnshire have built up an independent HIA service. Starting from a base of existing staff that came across on transfer, they recruited extra staff, operating on a business model rather than a local authority one. Their longer term aspiration is to be able to develop the HIA as a social enterprise.

Building an understanding of your local supply market, including evaluating those services commissioning authorities currently provide themselves, will enable you to demonstrate best value during the procurement process. Building capacity and procuring for best value are not mutually exclusive but complementary. Doing both minimises risk of challenge and reflects best practice. In practice, commissioners have to make decisions that reflect their local market circumstances:

> "Intelligent commissioning implies making judgements about when it is appropriate to use contracts for buying services from voluntary organisations. Similarly, commissioners must make judgements about where competitive procurement processes are appropriate, in the light of market circumstances"  
> (Audit Commission 2007)

It is important however to recognise that the skills, expertise and time required to develop and maintain a robust HIA sector are identical regardless of how the service is delivered.

**3.2.4 – Procurement Law – Understand the EU Regulations**

From January 2006, service contracts let by public authorities that exceed the current threshold of £144,371 have had to comply with EU public procurement regulations. The principle of public procurement is to open up the choice of potential suppliers to the public sector by creating a competitive marketplace, which in turn should improve value for money for those seeking to procure services. This change affects all but the very smallest HIA contract, particularly as aggregation rules apply where separate contracts meet a single requirement.

Even where HIAs are most thinly commissioned, the total value of contracts over a 3-5 year period will be in the range of £0.5million. Contracts for enhanced HIA services across administrative boundaries may well exceed £2 million in value. In these circumstances it is difficult to see how commissioners and providers can escape the requirements of Public Procurement Regulations of 2006.

Whilst there is a wide range of information that is freely available on the Internet relating to procurement law that affects commissioners of services, this section attempts to provide a brief overview of the recent changes. A good source of further information is the ‘CLG Guide to Procuring Care and Health Services’, which should be used alongside this document.
The Decision Making Process

The Two Levels of Application

The regulations set out specific procedures and are divided into two levels of application depending on what kind of services are being procured:

- **Part A services** – which are subject to the full regime of EU requirements
  (includes architectural, engineering, urban planning, landscaping and related services)

- **Part B services** – which are subject to a partial regime of EU requirements
  (includes health and social care)

**NB:** The significant difference between Part A and Part B services, is that use of the Official Journal of the European Union (OJEU) notices is not required for Part B services. The difference lies in the extent to which the public contract is advertised.

Under Part B, public authorities are still required to comply with the EU provisions relating to non-discriminatory specification of those services, contract award notice requirements, enforcement of obligations under the contract and general principles of fair treatment and transparency.

HIA services have been commissioned using both regimes.

**Part A procedures have been applied where:**

- HIA services have been deemed to be a technical support service to specialised building works, albeit with a social care and support element.

**Part B procedures have been applied where:**

- HIA services are considered a health, social care and support service.

The fact that HIA services have been procured under both Part A and Part B, demonstrate that there may be some doubt about which process is applicable. To date the decision by commissioners to procure HIA services under Part B, i.e. without exposing them to open advertisement in the OJEU, has not been challenged in the courts. This probably reflects the relative immaturity of the market. Most providers lack the resources or the will to tackle public bodies to which they must look for future contracts. However, this situation is likely to change as the market for contracted services matures and as providers become aware of their rights under the 2006 regulations. The risk inherent in not using fully compliant procedures is that the commissioning process will be challenged in the future. The potential costs of facing a legal challenge for a public authority are substantial. The legal fees represent a small proportion of the costs of management time spent proving compliance.

On balance our advice is to use part A procedures when commissioning HIA services wherever possible. They are not unduly onerous, they really do test the market and support for the preparation of the OJEU documentation is available from the Development Support Team at Foundations.

Regardless of whether commissioners decide that HIA services should be commissioned under Part A or B, the procurement process will demand similar levels of commitment, expertise and skill.
3.2.5 Tendering for Services

In summary, combining capacity building with tendering for services through a competitive market ensures that the procurement process is conducted in a clear and transparent manner. It can stimulate innovation, help to create value for money services and encourage new approaches to service delivery. It can also protect the commissioners from legal challenge.

<table>
<thead>
<tr>
<th>Commissioning A Service through a Formal Tender Process – Pros</th>
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<tbody>
<tr>
<td>✓ Complies with EU Procurement Regulations</td>
</tr>
<tr>
<td>✓ Ensures that the service is procured in an open and transparent manner, reducing the risk of legal challenge</td>
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<tr>
<td>✓ Provides a formal commitment to deliver an agreed set of outcomes through the contractual agreement between commissioner and provider</td>
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<tr>
<td>✓ Provides an opportunity to restructure an existing service that may have grown organically and be inherently weak in structure</td>
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<tr>
<td>✓ In a countywide structure, the number of providers within the market can be reduced through this method</td>
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<tr>
<td>✓ It enables groups to be targeted more effectively in terms of outcomes</td>
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<tr>
<td>✓ Requires you to benchmark services</td>
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<tr>
<td>✓ Competing providers can bring added value</td>
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<tr>
<td>✓ Ensures a wider choice of service provision</td>
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<tr>
<td>✓ Can encourage innovation through competition</td>
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<tr>
<td>✓ Can add to the pool of potential HIA providers.</td>
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<table>
<thead>
<tr>
<th>Commissioning A Service through a Formal Tender Process – Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>✗ Smaller less robust organisations may be unable to compete on equal terms for service contracts, especially when it comes to meeting TUPE obligations</td>
</tr>
<tr>
<td>✗ Time spent deciding what service you wish to commission and OJEU tendering processes can be slow</td>
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<tr>
<td>✗ There is a lack of national benchmarking data</td>
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<tr>
<td>✗ Contracts may be too small to go through a formal tender process</td>
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<tr>
<td>✗ The local market may be too immature to sustain a successful procurement project</td>
</tr>
<tr>
<td>✗ In the short term, there may be disruption to the HIA service and a loss of morale with the existing service provider.</td>
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4.1 Introduction

The Communities and Local Government (CLG) Guide to Procuring Care and Support Services provides detailed information on market analysis needs and supply mapping as well as guidance on how to identify and balance risks to existing services and fragile sectors of the market. This is a useful publication to refer to along with this guide as it aims to help commissioners and providers identify and manage the risks of change, and enable them to foster and deliver improvements successfully. It encourages commissioners to invest time in all stages of the procurement process: “Solid project management is essential and commitment and a clear understanding of procurement roles and responsibilities will ensure a successful project” (CLG, 2007).

The challenge to achieve successful joint commissioning, whether across a county or across Unitary Authorities, is to establish both a robust partnership and a lead person or agency that understands HIAs and can drive the whole project forward.

4.2 Planning the Project

Planning the project properly at the beginning is vital to its success, especially in the context of joint commissioning and OJEU commissioning procedures, with their inherent time constraints.

4.2.1 The Project Group

Putting together a Project Group to drive the procurement project forward is an essential first step for any procurement process. Joint commissioning and joint funding mean that the Group is likely to include representation from a number of stakeholders and funders, including those with wider expertise, as well as other potential stakeholders.

The Group should oversee and drive forward the purpose, scope and direction of the Project including:

- Agree desired outcomes from the service
- Agree activities that the HIA is expected to contribute
- Draw up a Project Implementation Document and Project Plan
- Outline the service specification
- Determining tender evaluation criteria
- The role of the Group in evaluating tenders
- The longer term implementation and contract compliance role following the award of the service contract.
Case Study – Devon

Devon Supporting People set up a project group to oversee the joint commissioning of HIA services across the county of Devon through a single contract for service provision. Previously there had been three different suppliers delivering varied levels of service in different parts of the county.

The Project Group included:

- Non-executive chair from Foundations, the National Coordinating Body for HIAs
- Project Lead Supporting People Officer
- Social Services (strategic) representative
- Social Services (operational) representative
- District representation (housing). Not all districts were personally represented, instead two people were delegated to represent the overall interests of the districts
- Technical Support (Finance, HR and IT) when required
- Primary Care Trust representative.

Case Study – Sunderland

Sunderland, a unitary authority, did not have a HIA service but had a number of similar services fragmented in separate departments within the council. Following their Audit Commission inspection, Sunderland decided to link these services together by setting up a new HIA service. To oversee this process they set up a project group that included:

- Accessible Homes Team Manager with responsibility for the adaptations programme
- Representation from Housing (across tenure)
- Adult Social Care and Supporting People leads (co-chairs)
- CVS (Age Concern and a Community Safety Project) as there is no current provider
- IT representation to ensure project integration within existing Information Services
- Finance representation to oversee cost implications
- A Risk Management consultant to keep the procurement project on track and minimise disruption.

The advantage in developing and maintaining a Project Group is that it will also form the natural core for the future governance or monitoring of the contract or the project.

4.2.2 The Project Implementation Document

A Project Implementation Document can help define terms of reference for the Group and set out a realistic framework or work plan for the project. This framework should set out clearly the steps involved in the procurement process, and should include a risk assessment document that will help identify and quantify the risks to the successful outcome of the procurement project.
A Project Implementation Document should typically include:

✓ Aim of the Project
✓ Objectives – for service users
✓ Objectives – for stakeholders
✓ Objectives – for referring agencies
✓ Areas of Risk
✓ Outline of the Group Members roles.

The Group should revisit the Project Implementation Document regularly in order to incorporate any changes in the plan. An accompanying timeline for tasks is also essential as fully compliant open tender procedures will take several months, no matter how organised the project. Details relating to the time scales for publishing tenders are available in the Communities and Local Government Guide referenced at the end of this guide, a Guide to Procuring Care and Support Services.

The plan should also include strategies for a smooth transition in the event of an alternative supplier winning the contract, or for set-up of a new service.

A strong partnership approach to the project is as important as a strong plan. Many of the stakeholders in the process will have differing priorities and may wish to see apparently different outcomes, and gaining agreement of what outcomes the HIA service is able to realistically achieve at the beginning can solve many problems that may appear later on!

Case Study

A Supporting People team within a large two-tier authority wanted to rationalise and enhance services across four districts – three districts had HIA services already each with a different provider, and one had no service at all. The team wished to commission one provider to cover all four districts but weak planning, lack of partnership working and failure to work with other commissioners created problems such as:

- Inadequate service specification due to lack of involvement of districts and providers
- Inadequate mapping of existing services
- Poor TUPE arrangements
- Incomplete funding for the service due to the lack of joint commissioning within the specification
- Lack of consultation with outside specialists
- Lack of project plan or executive driver for the project.

This resulted in a service specification that was unrealistic and as a result, the team were unable to go out to tender for the service. Establishing a Project Group and agreeing a Project Implementation Plan would have enabled the team to manage the process more successfully.

NB: See Appendix One for an example of a Project Implementation Plan & Risk Assessment
4.2.3 Signatories and Memoranda of Agreement

The Project Group should include all those who will be signatories to any contract. Whilst the commissioning lead can issue the contract on behalf of the partnership, to protect their interests separate memoranda of agreement need to be prepared and signed between the lead commissioner and the other partners.

The memorandum of agreement will set out:
- Terms and length of contract
- Contract review arrangements
- Service monitoring agreements
- The level or proportion of funding to be contributed by each partner
- The method and timing of contributions.

NB: A sample of an Agreement Memorandum is included in Appendix Two.

In the same way that the contract will govern the relationship between commissioners and provider, so the memoranda of agreement form the basis of the partnership on whose behalf the contract is let. Stakeholders in the partnership should be clear as to their liabilities and responsibilities and proposed governance arrangements should be clear to those tendering for the contract.

4.3 Analysing Need

In order to be able to make any robust value judgement about services, commissioners need to understand and specify what it is they want to acquire. Communities and Local Government guidance asks commissioners to relate the strategic analysis of need for certain services, their strategic relevance and their priority in the social market in which they operate, to the purchasing decisions commissioners make.

The recent Audit Commission report, ‘Hearts and Minds: Commissioning from the Voluntary Sector’ states that: “Understanding service needs implies understanding the make-up of the target population, identifying what services will meet the diverse needs of that population and what the council can deliver, realistically, within the budget available.”

Establish at the outset the need for HIA services and the extent or level of that need. Whether commissioners are driven by a need to restructure and enhance HIA services, or where a service is to be established from scratch, establishing the need for the service must include a wider analysis than historic HIA demand and activity.
Check List for Needs Analysis:

✓ Understand local demographics
✓ Establish what service users want – consider carrying out a consultation exercise
✓ Examine your strategic priorities – to whom is the service relevant and important?
✓ Consider individual stakeholder’s needs in terms of service delivery
✓ Examine what is currently being delivered by the HIA and also by competing or complementary services – could these be also delivered by the HIA?
✓ What are the requirements of your local Compact with the Third sector – these could relate to funding practice as well as expectations to consult and involve voluntary sector providers in the design of local services
✓ Can more statutory duties be delegated without the need for duplication?
✓ Are there other local needs that could present an opportunity for the HIA service provider to develop sustainable socially enterprising schemes?

Case Study – Devon

The Project Implementation Group in Devon commissioned a consultant to analyse actual and future levels of need for seven elements of HIA activity within the different regions of the county:

■ General advice and information
■ Coordination
■ Repairs and improvements
■ Minor adaptations
■ Major adaptations
■ Handyperson
■ Home safety assessment.

The research incorporated a wide range of factors, such as:

■ The number of vulnerable people living in poor housing
■ The number of older or physically disabled people requiring adaptations to their homes
■ Information from housing stock condition surveys.

All stakeholders were involved in the consultation process on the report outcomes and these responses were used to design the final project phase through to tendering the service.
4.4 The Service Specification

The Service Specification is a key element of any procurement process. A detailed, well constructed service description will encourage clear, well-ordered submissions from potential providers and minimise the potential for confusion and misunderstanding. It forms the basis upon which service providers will price their tenders and should contain sufficient information for them to be able to construct their bids.

The Project Implementation Plan and your analysis of need will provide a good starting point for writing the service specification, but getting this document right is absolutely key to the successful commissioning of the service both for the commissioner and also the service provider.

Tip Box:

Before you start to write the Service Specification:

■ Put yourself in the position of the service provider to view the process from their perspective.

■ Avoid loosely drafted specifications as this may lead to:
  ❑ a wide range of prices being submitted at the tendering stage
  ❑ bids being submitted by inappropriate or inexperienced providers
  ❑ bids that are not sufficiently developed to enable them to be adequately evaluated

■ Consider seeking the advice of your Regional Development Consultant from Foundations, the National Coordinating Body for HIAs. This service is free and can be a valuable source of independent advice.

■ Review the current contract and outputs of your current provider, if you already have a HIA service.

4.4.1. Key Elements of a HIA Service Specification

■ Core Services

The traditional core activity of a HIA is to provide advice and support to the client regarding options for getting their home repaired, improved or adapted. This will include help in applying for funding, technical specifications and supervision of works, and selection of contractors.

A HIA will also enable clients to explore and access a range of funding options. Access to funding of works is often dependent upon the client being in receipt of a means tested benefit and HIAs routinely carry out benefit assessments and make applications for clients. Caseworkers often also work with clients on ‘softer’ support issues such as isolation and the maintenance of social activities or relationships, including pets.
HIAs also have the ability to build longer-term relationships with clients, developing trust and so forth as this is an important role and pays dividends over time. Often a small-scale intervention leads to larger scale works over the duration of the relationship between HIA and client.

The guidance from Communities and Local Government draws attention to the extent to which a ‘Core’ contract is important to providers. Most of their time and resources, willingness to embrace innovation and efforts on collaborative approaches will be concentrated on delivering this aspect of the contract most effectively.

- **Ancillary Services**

  Increasingly commissioners want their HIA service to provide additional services such as:

  - Handyperson Schemes
  - Benefits Advice
  - Home Safety Checks
  - Energy Efficiency
  - Hospital Discharge
  - Falls and Accident Prevention
  - Gardening and Decorating Schemes
  - Housing Options or ‘Move On’ Services

Ancillary services often provide new and innovative means of service delivery. They can help providers to build opportunities for ‘social enterprise’, enabling them to generate sustainable sources of income. Furthermore, they make the overall service more robust, flexible, and capable of responding to longer-term strategic need.

- **Eligibility Criteria**

  Eligibility criteria are crucial in targeting HIA services. They differ from the trace indicator in that they focus resources according to availability. Eligibility should be used to target publicly funded services on those most in need.

  HIA providers should be prepared to explore differential charging for the range of services needed/provided. This can increase the resources available to build capacity, and allow greater choice for individual users, whilst providing a mechanism to target the publicly funded elements of the service on those most in need. Specifications can invite providers to set out ideas relating to capacity building as part of their tender to deliver the service.

  The challenge is to establish robust and accessible services. These must be able to target the most vulnerable but have enough capacity to respond to low-level need elsewhere and to develop sustainable services in response to that need based on the contract with the commissioning authority. Limited resources mean that many HIAs have limited capacity. In order not to become a victim of their own success, HIAs can be afraid to advertise widely. They may rely on partners to act as gatekeepers and have waiting-lists which replicate those of statutory services. Furthermore, a client-centred approach means it is difficult for a provider to say ‘no’ to existing clients that can further limit the access of new clients to existing services.

  Commissioners should ensure that providers can demonstrate robust equality and diversity policies and capacity management strategies. They should also be careful not to limit the HIA service in such a way that will restrict it to acting as little more than a grants processing agency on behalf of the council.
Measurable Outputs

The specification should include details of expected outputs.

For example:

- Number of clients to be helped in each year
- Number of jobs to be completed
- Sort of jobs to be completed
- Total value of the work to be completed.

These are all measurable outputs that should lead to the desired outcome of an effective and efficient service. The range of outputs required will be dependent upon other parts of the Local Authority service and the flexibility afforded to the HIA service provider by its partners. Setting outputs and explaining their rationale as part of the service specification will make those tendering really consider what it is that they are bidding for. The ability to measure performance against the agreed outputs is also crucial.

NB: Where funding requires collection of particular data, these need to be clearly stated in the Service Specification.

The final specification should list what that HIA is to deliver rather than how it is to deliver them. It should have schedules detailing how many of the agreed measurable outputs will be delivered under the contract. This will allow providers to accurately price any tender and leave them free to structure their inputs to the services and permit economies and efficiencies to be achieved by providers according to their circumstances, without compromising on outputs.

Reporting Arrangements

The specification should include a requirement for the provider to have adequate monitoring and reporting facilities. Providers should be able to capture a very wide range of data and report on it regularly. Many HIA providers have access to a web-based management information system that can provide benchmarking data for performance monitoring purposes. However, unduly onerous monitoring and reporting requirements will add to costs that will be passed on by providers. Furthermore, over-prescriptive contract terms will make the contract less attractive and will incline any provider to focus on targets and systems rather than delivering added value services to vulnerable clients and developing sustainable services in a socially enterprising way.

These sections should form the basis of the Service Specification. Other elements that may also form part of the specification include:

- Budget
- Governance
- Data sharing issues
- Evaluation criteria, if these are not in a separate tendering document

NB: A sample Service Specification is available in Appendix 3
4.4.2 Funding, Pricing and Costs

The Audit Commission recently defined Intelligent Commissioning as: “Understanding service needs implies understanding the make-up of the target population, identifying what services will meet the diverse needs of that population and what the council can deliver, realistically, within the budget available”. (Hearts and Minds, Commissioning from the Voluntary Sector 2007)

The Project Group should be satisfied that the service described is both achievable and affordable. There should also be adequate on-going resources to support the procurement project.

There are three elements to ensuring the service is affordable for the provider:

- An assessment of Available Funding
- A realistic assessment of the price of the services you are seeking to buy
- A full and honest assessment of current undertakings or set up costs that a provider may have to accommodate: This includes TUPE, possible rental costs, acquisition or purchase of property (vans, computers, etc.)

1. Assessment of available funding

Resources for HIA services typically come from a wide range of funding streams and could include:

- Supporting People
- Social Services
- Access and Systems Capacity Grant
- Community safety funding
- Crime prevention funding
- Minor Adaptations budgets
- Regulatory Reform Order (Decent Homes standard) housing capital and revenue funding,
- Fees
- Primary Care Trusts
- Falls Prevention Strategy Money
- Allocations funding (for Housing Options Services)
- Funding in kind (secondments, use of offices, etc.)

Securing these resources to commit to the service can itself be a real challenge. In county structures with multiple districts there may be a number of providers, funded from a variety of sources. This can make it difficult to gain a clear idea of what income streams contribute to specific activities, and which can be disaggregated.

Commissioners should be creative and honest in identifying existing funding. The list above is indicative but by no means exhaustive. In the same way stakeholders should take the opportunity to review and improve their own practices to reduce the potential for duplication, so the Project Group should seek to ensure that resources are free to support the new HIA where possible. Furthermore, in order to procure a robust agency, capable of delivering outputs on a range of programmes, the Project Group itself should play a key role in identifying “new” resources for funding.
For historical reasons many HIAs rely upon fees earned on the work carried out to remain viable. HIAs, which rely on high levels of fees are not only vulnerable to a downturn in the availability of housing and adaptations grants, but also focus their activities on the processing of these grants in order to generate the fees required to balance the budget.

Commissioners should seek to enable HIAs to generate activities beyond the statutory duties of its funding partners by encouraging it to find ways to make low-level preventative and support services sustainable by using surpluses to invest in new services. By burdening a HIA with the necessity to generate fees for its viability, commissioners limit the extent to which they can expect added value from their HIA.

Case Study

A well established HIA is reliant on fees from grant-funded activity for nearly 50% of its funding. In order to generate this level of fees, the agency has to deliver the local authority’s entire DFG programme. This is a full time task for the staff, allowing no opportunity or capacity to diversify or develop other markets for their services.

2. The Price of the Services and Benchmarking

Each element of the specified service should be capable of being priced separately in the eventual tender. If the cost of the service has been assessed accurately at the outset, it should not be necessary to reduce the level of service to be provided after tenders are received.

Before going out to tender, commissioners must have a clear idea about the actual costs of the HIA services they require. Furthermore, if providers are to rely upon the contract to sustain their HIA service for the longer term and allow them to use it as the basis for further development they will have to be confident that the value of the contract compares well with others and that it is consistent with good service delivery, performance and the outputs required.

There are a number of sources of information that may help commissioners in predicting costs:

- Historic local service costs, honestly evaluated
- Foundations, the National Coordinating Body for Home Improvement Agencies, may have an idea of the cost for comparative services elsewhere
- Current providers, who should help commissioners establish the real cost of services particularly as they are themselves challenged to achieve 'full cost recovery' by Treasury guidance
- Neighbouring or comparative administering authorities may be able to share this information, although there may be local and regional variations in cost to take into account.

Benchmarking

There is continuing interest in benchmarking the performance of services of all types, including HIA services. Comparisons made can be within the sector – how does the performance of one HIA compare with others (operating in similar environments or different environments) or between sectors – how does the HIA intervention compare with other types of service (e.g. is the HIA service better value for money, based on the unit cost, than providing accommodation in residential care?)
There are two main approaches used in benchmarking:

**Performance (or metric) benchmarking** – involves the comparison of quantitative data. This can help organisations to identify how their performance differs from that of other organisations or how it has changed over time, and can act as a spur to improving performance. It can also identify organisations that may provide an example of how to achieve good performance. For most HIAs, and their commissioners, the first benchmarking activity is performance benchmarking – a comparison of the outputs of the HIA (number of enquiries, number of cases) with other HIAs operating in a similar environment.

Foundations is developing the mechanisms for a benchmarking reference database that will provide a resource for making these comparisons.

**Process benchmarking** – involves the systematic analysis and comparison of the process used to deliver services. This analysis may be applied at varying levels, from an overview of the main functions involved, to a detailed analysis of processes. It is best used after performance benchmarking has identified performance differences.

Unfortunately, national benchmarking data is not yet available to help commissioners, as monitoring HIA performance is now largely a matter for local commissioners. Foundations is hoping to be able to provide some guidance later in 2007 to national costs following the co-operation of providers across the county to provide this data centrally.

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**Benchmarking Clubs**

A Benchmarking Club is an effective way of extending the benchmarking process from performance benchmarking to process benchmarking. Partners in a benchmarking club work together to identify the differences in process that may affect differences in performance, then either choose a model process already in use as a best practice that should be adopted, or develop a new process model that will lead to a performance improvement for all partners. Foundations has worked with three groups of HIAs to develop a benchmarking club. Many HIAs already take part in county-wide, or other group meetings, which offer an opportunity to introduce some benchmarking into the agenda. To find out more, visit the Foundations website: [http://wwwFOUNDATIONS.uk.com/commissioners/default.aspx?id=205](http://wwwFOUNDATIONS.uk.com/commissioners/default.aspx?id=205)

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In order to estimate the cost of core services, Project Groups can attempt to calculate the likely resource needed for certain expected levels of activity.

**HIA Core Services**

Insofar as benchmarks can be found, Foundations considers that one Technical Officer may reasonably expect to deliver work to the value of £250-£300k/annum. This will require an equivalent investment of approximately £100k to cover the casework, technical expertise and administrative support required. Efficiencies can be gained by utilising technologies such as centralised CAD services, by partnering with preferred contractors or delegating less technical tasks to other staff.
Cost and Capacity of Handyperson Services

Experience suggests that one Handyperson may reasonably expect to deliver 450 jobs/annum in a rural district and 600 in an urban setting. Anecdotal evidence for Handyperson services suggests that the average cost per job is between £77 and £80. This puts the overall cost of a single operative at between £35-40K per annum. The higher range presumes a level of administrative support.

With the introduction of competitive tendering for HIA contracts, the price of HIA services has become a commercially sensitive issue. Providers are anxious to maintain and develop their services, and one of the ways to be more competitive is to achieve economies of scale. Another way is to accede to unrealistic expectations on levels of service and/or resources. Commissioners should be aware of what realistic levels of resource are needed and should challenge unrealistic promises. Providers must be honest in their assessments of cost and rely on other factors to demonstrate the added value of their service and therefore their suitability for a contract. Short-term gain on either side can be more costly in the longer term.

Case Study

In tender submissions for a small core HIA service, three national providers asserted that the proposed agency, staffed with one Technical Officer would sustain outputs hitherto delivered by 2.5 full-time equivalent council officers. When specifically queried by the relevant officer at presentation, reassurances reinforced the original submission. Subsequently it has proven the case that the assurances given and challenged at the tender stage were indeed unrealistic.

Sometimes commissioners can be unclear about what a service will cost, or suspect they would like to commission more than their budget would allow. One option is ask those tendering to set out options/packages that meet the budget but set out a reduced service provision (commissioners should prioritise), as well as their costs for providing the full service. There should also be space within the tender for the provider to set out plans for social enterprise/cross-subsidisation.

Tip Box:

Commissioners should:

■ Seek to procure outputs and not dictate the shape or quantity of inputs needed to deliver them
■ Not seek to design HIA services. Providers may have innovative ways of delivery that will achieve the same ends
■ Ensure that the project provides outputs that contribute to strategic programmes, and therefore may need some idea as to how this is effectively done elsewhere
■ Leave room for innovation and best practice.

HIA Providers should:

■ Be open and honest with their commissioners and do not allow self-interest to cause services to suffer
■ Contribute to best practice examples and benchmarking in order to foster continuous innovation and improvement.
A fundamental choice needs to be made about whether or not to publish the contract price. Some will argue that this means all tenders will come in at the given price, others will argue that it gives the opportunity to ask potential service providers to demonstrate “added value” to their bid. Ultimately there should be no surprises in the tendering process and attempts to drive down the price will prove to be false economies. Perhaps not surprisingly HIA service providers have expressed a preference for knowing the overall contract price and being able to demonstrate added value. They also tell us that it often demonstrates to them at an early stage whether or not the commissioners have made a realistic assessment of the cost of the service they wish to provide.

Case Study

In a recent tender to deliver a large HIA service, commissioners received four submissions all in excess of the anticipated price. The commissioners responded by asking each of the four interested parties to say “what they could do” for a capped figure. This resulted in:

- Each of the provides proposing widely different services
- Confusing tender documentation
- A difficult comparison of the tender submissions
- The commissioners expectations becoming unclear to providers
- The impression that there was no longer transparency or fairness in the process
- Tensions within the partnership of stakeholders as each of the parties were uncertain as to how their expectations would be met.

4.5 Value for Money

Value for money is not about achieving the lowest price but a means to evaluate the overall package and the “added value” providers can bring to the contract. For example, casework often raises additional benefits and/or charitable monies on behalf of clients, and HIAs are often successful in raising charitable or other funds for ancillary activities not covered by the contract. Both are highly visible examples of “added value”.

HIA services are often commissioned jointly, and this guide has suggested widening the partnership of potential commissioners. No single commissioning stream contributes the entire or even majority of funding to the agency, yet all benefit from its resultant economies of scale and cross-cutting outputs. Commissioners should realise that the procurement process itself proves value for money and encourages providers to find ways of adding value.

Regardless of the added value that may be gained through the procurement process, HIAs are recognised to add value beyond the statutory duties by providing person-centred holistic housing support services, by their independent advocacy on behalf of clients and as cost effective delivery vehicles for low-level preventative services.

“Commissioners should consider wider community or market development objectives as well as the costs and benefits of specific services when measuring value for money” (Audit Commission, 2007)
Testing Added Value
Questions relating to a provider’s ability to deliver this kind of added value should form part of the tender pack to test:

- The providers’ experience of managing and delivering the HIA services specified including skills/qualifications where appropriate
- The providers’ understanding of the way these HIA services contribute to central and local commissioning priorities
- Quality assurance checks for both staff and management structures
- Stakeholder involvement, including service users
- Evidence of managing a list of approved contractors
- Evidence of the ability to plan for a smooth transition from the current service to that specified under the contract on offer
- How service users and other stakeholders will be kept involved in the development of the service.

4.6 Transfer of Undertakings Protection of Employees (TUPE)

This guide has sought to encourage commissioning authorities to be flexible, generous and open:

- Flexible in identifying the elements of HIA services
- Generous in identifying all possible funding to pay for them
- Open to commissioning the outcomes rather than the process.

In seeking to put together a package of HIA services that are capable of delivering on a range of programmes across statutory and geographical boundaries, certain activities are likely to form part of current undertakings. Some activities may be substantially new and different. Others, in particular the core HIA services, are likely to be part of an existing agency, or form substantial parts of the duties of officers within the commissioning authorities. As such there are likely to be considerations around the rights of existing staff to transfer to the new provider.

Commissioners should involve their Human Resources department and their provider early in order to establish liabilities under TUPE. The human resource and cost implications of TUPE are one of the factors that may affect both the staffing and price of the final HIA. Liabilities should be clearly identified and annotated in any tender documentation.

When consolidating services across service and geographical boundaries, commissioners should be aware that whilst TUPE requirements are a statutory protection for employees, any liabilities may limit the attractiveness of the contract to potential providers.

In particular small independent providers feel excluded from a process that favours larger corporate providers with the reserves to absorb such terms and conditions (including some pension liabilities), though even these have been deterred from submitting tenders where there are significant liabilities.

Case Study
Commissioners from a variety of authorities recently tried to argue persistently that TUPE was “unlikely to be a factor” as they were proposing to “redesign the service with a different specification and new contract”. Only strong advice from Foundations, the National Coordinating Body, resulted in them reconsidering that decision. Even then however, some refrained from accurately assessing TUPE liabilities and left it to potential providers to establish their extent.
Similar issues may arise where there is other funding in kind to consider, particularly office space, or where Council Officers are seconded to existing HIA services. Any on-going liabilities of this kind should be clearly determined and set out within the tender documentation.

4.7 The Provider Market

In the preceding section, commissioners were encouraged to understand how an HIA can add value to a range of programmes.

For those opting to tender the service contract, the market of potential providers is relatively small and locally variable. Of the current HIA service providers only five operate in ten or more local District Council areas. Several providers only operate within a limited geographical region and are unlikely to be interested in bidding to provide services outside that area.

Communities and Local Government guidance encourages commissioning authorities to check that there exists a healthy competitive supply market prior to tendering, and consider ways to build market capacity where this is not a competitive supply.

Case Study

Do not assume that existing providers will continue to want to provide HIA services. Three national providers have made public corporate decisions to no longer subsidise agencies that cannot demonstrate full cost recovery. The withdrawal of Moat HA from delivering HIA services in the south east, Arena Housing in the north west and Longhurst HA from providing HIA services in Lincolnshire demonstrate that a fully functioning local market with a variety of providers cannot be guaranteed everywhere.

A significant part of the HIA sector is commissioned very thinly. Many are small local agencies employing three or four staff to deliver services for vulnerable people. A recent programme of visits by the Foundations Development Support Team to smaller agencies found that almost one third were vulnerable or failing to deliver full and accountable HIA services whether they were RSL managed, in-house or independently managed.

Despite the re-structuring agenda to develop “Area Resourced HIAs” (ARHIAs), i.e. larger more robust organisations commissioned at the County level or “cross-unitary” level, much remains to be done to meet this challenge. There are pockets of good practice, but too many agencies remain small, vulnerable and ineffective.

Some of the most innovative and responsive HIA services are provided by agencies founded as independent charities or community enterprises. Those, like Bristol Care and Repair, or Care and Repair Leeds, do not have the managerial or financial resources and reserves to compete for contracts with large TUPE liabilities on an equal footing with other national and regional providers despite their quality and good value for money.

In order to maintain a mixed market of providers capable of operating in a more sustainable way, then commissioners have an important role in finding ways to preserve and protect the best of what the sector has to offer. Commissioners can take a proactive role in stimulating the market. New providers are emerging, such as those resulting from LSVTs (Large Scale Voluntary Transfers) and clearly offer an opportunity for commissioners to encourage diversification into HIA services, especially where a LSVT in a neighbouring authority may already be providing similar services.
To encourage a wider market of providers to submit bids, the Project Group should consider:

- Advertising its intent to market test certain HIA services early, regularly and widely
- Involving all its current providers and encouraging partnerships and consortia to submit bids
- Holding consultation events with a variety of providers, not just the current provider, to inform service specifications
- Arranging “Meet the buyer” events prior to tender
- Developing standardised tender documentation and training for local providers in submitting tenders.
- Avoid unnecessary qualification criteria/constraints.

NB: The trend towards larger contracts may rule out smaller independent providers if local commissioners do not support them. The challenge to the sector is to modernise and become fit for purpose in a world where open competitive tendering is the norm and where ways to sustain services other than public funding have to be found.

The contract period is a significant element in its attractiveness to providers. Early planning and a sound partnership will give stakeholders an opportunity to commit to longer-term contracts. Currently most HIA contracts are let for three years, which allows time for service development and testing, innovation and strategic planning, as well as being more attractive to retaining high calibre staff.

Commissioning for less than three years is not usually cost effective, either in terms of the time and effort required to run a successful procurement project for commissioners, or to allow providers to spread cost recovery associated with future redundancies, investment in capital assets, and the costs incurred putting together tender submissions. Your HIA contract is likely to be only one of a number of opportunities providers will pursue during any given period. It has to be worth their while.

“Meet the Buyer” events can be a useful way of gauging interest from providers, letting providers know the partnership’s priorities, how bids will be evaluated, allowing providers to talk to the commissioners and to ask questions. Any issues arising from the event or additional information given can be added to the tender packs sent to all expressing an interest. Problems addressed at this stage can lead to a better outcome at the end of the award procedure.

4.8 Evaluation of Tenders

The full definition of ‘Intelligent Commissioning’ referred to earlier is: “Knowing what services you want to buy for the diverse set of users you have, within budget constraints. Understanding the characteristics and capabilities of your supply base, and monitoring and evaluating performance and value for money”.

The Communities and Local Government Guide to Procuring Care and Support Services provides practical support for commissioners to run a fair and transparent procurement project. It is also explicit on the evaluation process that must be decided before inviting tenders and form part of the tender documents. This guide will limit itself to observations relevant to the HIA sector but provide pointers to sources on wider issues.
When evaluating tenders for care and support services, there must be a balance between cost and service delivery, so that tenders are assessed in terms of their value for money rather than by just being the cheapest option.

Assessment of tenders is a two-stage process, initially cost blind and then factoring cost to see how this affects the overall evaluation. Tenders are evaluated on a wide range of criteria such as:

- Understanding of the commissioners’ requirements
- Experience of working on similar projects
- Awareness of housing support, or older people, policy and operational context and key stakeholders
- Experience of working with small VCS organisations
- Understanding of public sector procurement.

NB: Where commissioners have gone out to tender for existing services hoping that the HIA market would find a way to cut existing costs, tender prices have consistently come out at higher than historic funding levels, as even the existing provider strives for full cost recovery. This will ultimately lead to cuts in the quality and level of service, not an improvement or a saving.

A Two-Stage Tender Process

Some commissioners opt for a two-stage process - a tender panel followed by an interview panel for short listed providers.

**Tip Box:**

If adopting a two-stage tender process ensure that you:

- Stick to evaluation criteria
- Identify interview questions in accordance with the evaluation criteria
- Ask consistent questions to all interviewees
- Make sure the assessment reflects evidence from both tender and interview
- Ideally have the same panel members for both stages.

Some Project Groups have found it useful at the first stage to invite those involved to make a tender presentation day, which is a useful way of enabling commissioners to meet providers.

**Tip Box:**

If holding a tender presentation day, there are pitfalls to avoid:

- EU procurement rules do not allow negotiation or evaluation on anything other than the tender submission. Questions must therefore be limited to the clarification of those submissions and should be the same for everyone
- Exploring historic frictions or other issues has no place in the process, though it is legitimate to test whether and in what circumstances a provider has been issued with a default notice under a contract to deliver HIA services
- Attendance at any presentation should be limited to an executive committee of stakeholders. The meeting becomes difficult to chair and concerns are apt to become more parochial as more representatives from stakeholders attend
- Keep it short and focused and give providers an indication of the areas you wish to clarify.
- Be prepared for searching questions from providers in return!
4.9 Consolidation

Regardless of whether an existing provider or a new provider secures the eventual contract, the procurement process may have been disruptive to vulnerable clients, services and staff and a period of consolidation will be needed. If the contract is awarded to another provider a transfer plan should be put in place to manage the process.

The Project Group should work with the existing provider to draw up a protocol for the transfer of:

- Client records, particularly live cases
- Data necessary to establish the end of contract and agree the start of a new contract
- Communication systems (Licences may have to be transferred, or data adapted to a different system)
- Office accommodation
- Payments
- Staff and management
- Assets like vans, computers, office equipment such as photocopiers etc.

**Comment**

Communities and Local Government guidance optimistically calls the transition period an “ideal opportunity to enable the transfer of knowledge between the incumbent provider and the new provider”. In our experience, time and investment by commissioners to smooth the transition from one provider to another can pay dividends, particularly in the early days of the new contract.

This could include the facilitation of:

- the introduction of new staff to key contacts with the local authority and social services with whom they will be working
- the caseload handover, ensuring that open cases are properly dealt with and prioritised, including if necessary, client visits.

Do not assume the previous provider and the new provider will achieve a smooth handover without your active involvement!

4.10 Governance, Performance and Contract Management

During the project implementation period, the project group will have invested time and effort in the procurement process, and as result, become experts in their local HIA. Members of the project group should be encouraged to remain involved with the service whether as part of the contract management team, or as part of a development group looking to identify further resources for ancillary services.

The procurement process will create a formal contractual relationship between the commissioners and the service provider where all the terms and conditions of that contract are written down. Any mistakes or omissions could be costly to either party. The process and the documentation should be unambiguous and capable of being easily understood (fair and transparent). The contract and its management should ensure the service provider is clear about the outputs required and the price that they will receive for delivering those results.
The contract should not unduly interfere with the service provider’s ability or flexibility to provide the specified service by any means that is comfortable to them, as long as the provider acts according to law, and the values and principles laid down in the preamble to the contract and agreed through the procurement process. They should also not be restricted from pursuing other opportunities by anything within the contract except where these could create a conflict of interest – service providers should take early soundings from commissioners if they are unsure. Service providers should be encouraged to add value to their service by acting in a spirit of social enterprise where possible. The sole consideration should be that they perform satisfactorily on the agreed contract.

Providers should also be permitted to retain any surpluses generated from the contract, planned or unforeseen. Community businesses need to make surpluses in order to set aside essential reserves, and to invest in new services. Commissioners can make it a requirement of the tender to include a statement on how they propose to treat surpluses.

**NB: There is no substitute for effective dialogue – it often heads off bigger problems down the line!**

The performance of your provider should not be gauged solely by the measurable targets agreed under contract. There must be regular reviews, through the Supporting People Quality Assessment Framework. The provider could also seek the Foundations Quality Mark, or other recognised external validation. The HIA Board (or Management Committee, or Advisory Group) will provide a monitoring role.

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**Did you know?**

The HIA Quality Mark scheme was developed during the implementation of Supporting People (SP) as part of the service review toolkit. The scheme uses the same Quality Assessment Framework that has been developed specifically for HIAs to use in the quality assessment part of the SP service review. The SP programme is moving from review of legacy services to management of ongoing (steady state) contracts and the Quality Mark scheme continues to add value to the contract management process for commissioning authorities. As with the review process, the contract management process needs to include many of the same components including cost, performance, service quality and outcomes, factors that the Quality Mark covers.

The HIA Quality Mark scheme is well established – over 100 HIAs in 70 AAs have been awarded the Quality Mark following a validation visit by a team that covers England, independent, but with detailed knowledge of the sector. For more information, visit the Foundations Website: [http://www.foundations.uk.com/commissioners/default.aspx?id=204](http://www.foundations.uk.com/commissioners/default.aspx?id=204)
Section Five: Summary

5.1 Conclusion

Throughout this guide we have tried to demonstrate that commissioners have a key role to play not only in ensuring that public services offer value for money and meet local need, but that commissioners also have a vital role in capacity building and stimulating socially enterprising activities. As National Coordinating Body for Home Improvement Agencies, we wish to see HIA services develop and thrive, delivered by a mixed market of providers. The quality of the commissioning and procurement process is vital to the future sustainability of HIA services.

We started by defining the service and then examined the value for money and strategic relevance that HIA services can offer to commissioners. We then looked at the different elements of the decision-making process including identification of local need, understanding your local commissioning environment and your commissioning choices. Finally we worked our way through the practical steps involved in creating a service specification, evaluating tenders and reporting arrangements, providing case studies, check lists and tips where possible. This is by no means a comprehensive guide to procurement, and we recommend that you refer to the ‘Communities and Local Government Guide to Procuring Care and Support’ for more detailed information about the procurement process and European Regulations relating to procurement law.

Please do not hesitate to contact Foundations if you have any queries relating to commissioning HIA services – all of our contact details are available at the end of this document. You can also check our website – www.foundations.uk.com where you will find a Good Practice Library full of useful reference documents as well as a section specifically for commissioners.

5.2 And Finally . . . The Eight Principles of Good Commissioning

■ Develop an understanding of the needs of users and communities, by ensuring that, alongside other consultees, they engage with third sector organisations as advocates, to access their specialist knowledge.
■ Consult potential provider organisations, including those from the third sector and local experts, well in advance of commissioning new services, working with them to set priority outcomes for that service.
■ Put outcomes for users at the heart of the strategic planning process.
■ Map the fullest practicable range of providers with a view to understanding the contribution they could make to delivering those outcomes.
■ Consider investing in the capacity of the provider base, particularly those working with hard to reach groups.
■ Ensure contracting processes are transparent and fair; facilitating the involvement of the broadest range of suppliers, including considering sub-contracting and consortia building where appropriate.
■ Seek to ensure long-term contracts and risk sharing wherever appropriate as ways of achieving efficiency and effectiveness.
■ Seek feedback from service users, communities and providers in order to review the effectiveness of the commissioning process in meeting local needs.

Source: Partnership in Public Services, Office of the Third Sector, 2006
A Guide to Procuring Care and Support Services
Communities and Local Government 2007

English House Condition Survey, 2001
Office of the Deputy Prime Minister 2001

Hearts and Minds: Commissioning from the Voluntary Sector
The Audit Commission 2007
http://www.audit-commission.gov.uk/reports/NATIONAL-REPORT.asp?CategoryId=&ProdId=418C38AF-0D97-49dd-95D6-EE7E7EA43773

Home Improvement Agencies: Development & Reform: A Consultation Paper
Office of the Deputy Prime Minister 2002 – Available free of charge from:

HM Treasury, 2002
A Sure Start for Later Life, Ending Equalities for Older People – A Social Exclusion Unit Final Report
Office of the Deputy Prime Minister, 2006
http://archive.cabinetoffice.gov.uk/seu/downloaddoc7b5f.pdf?id=797

Partnership in Public Services: An Action Plan for Third Sector Involvement
The Office of the Third Sector, 2006

Research Project to Establish the Optimum Structures and Commissioning Arrangements for HIA Services
Foundations 2003

The Future Costs of Long-Term Care for Older People
The Joseph Rowntree Foundation September 2004
http://www.jrf.org.uk/knowledge/findings/socialcare/944.asp

What Does a Commissioning Framework Look Like?
Care Services Improvement Partnership, 2007
http://www.integratedcarenetwork.gov.uk/asset.cfm?aid=1333
Foundations

The Foundations Evidence Booklet Series is a series of seven booklets aimed at commissioners that examine the way that HIA services can deliver government strategies including:

- Home Repairs & Improvements
- Falls and Accident Prevention
- Delivering Adaptations
- Energy Efficiency and Fuel Poverty
- Handyperson Services
- Hospital Discharge
- Crime Reduction and Community Safety.

Visit the Publications Section of the Foundations Website to download booklets from this series:


Foundations Development Support Team Consultants

The Development Support Team (DST) supports the growth of HIA services across England. The team are able to use their experience to provide advice to HIA staff and service commissioners in relation to HIA services. Throughout 2006/07, the team will continue to provide support to Supporting People Teams and other commissioners, as well as engaging with Regional Housing Boards and continuing to monitor the effects of the expansion and restructuring programme.

There are four consultants – one each for the north, the midlands, the south east and the south west, all of whom are happy to answer any queries you may have whether you are from a HIA or you are a service commissioner.

To contact your local DST member, telephone Head Office on 01457 891909 or visit the Foundations website www.foundations.uk.com that features a section for commissioners:

http://www.foundations.uk.com/commissioners/default.aspx

Foundations also issue a bi-annual e-newsletter for commissioners.

Subscribe by emailing foundations@cel.co.uk and writing ‘Commissioners Newsletter Request’ in the subject heading.
Other Useful Resources

A Guide to Procuring Care and Support Services
Communities and Local Government, 2007

Better Commissioning LIN
http://www.integratedcarenetwork.gov.uk//betterCommissioning/index.cfm?pid=163

‘Disability Equality Duty and Procurement’ by the Disability Rights Commission
http://www.drc.org.uk/employers_and_service_provider/disability_equality_duty/sectoral_guidance/procurement.aspx

Hearts and Minds: Commissioning from the Voluntary Sector
http://www.audit-commission.gov.uk/reports/NATIONAL-REPORT.asp?CategoryID=&ProdID=418C38AF-0D97-49dd-95D6-EE7E7BA43773

IDeA – Improvement and Development Agency for Local Government
http://www.idea.gov.uk/idk/core/page.do?pageId=1

Projecting Older People Population Information System
www.poppi.org.uk

Supporting People for Better Health: A Guide to Partnership Working
Communities and Local Government 2006

The Office of the Third Sector
http://www.cabinetoffice.gov.uk/third_sector/
Acknowledgements

Thank you to all who contributed to this guide or gave us permission to use their case study:

Bristol Care & Repair
Devon and Cornwall Housing Association
Devon Supporting People Team
Durham Supporting People
Hanover Housing Association
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Lincolnshire Home Improvement Agency
Reading Borough Council
Somerset Project Implementation Group
Sunderland Supporting People

Samantha Collins, Communications Manager, Foundations
Francis Philippa, Development Consultant South West, Foundations
Tony Molloy, Director, Foundations
# Project Plan for HIA Tender

## Work Area: Set Up Project Group

<table>
<thead>
<tr>
<th>Task Name</th>
<th>Start</th>
<th>Deadline</th>
<th>Responsibility</th>
</tr>
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<tbody>
<tr>
<td>RBC Initial Project Planning Meeting</td>
<td>3 Apr 06</td>
<td>28 Apr 06</td>
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<tr>
<td>Notify Identified Project Group Members</td>
<td>3 Apr 06</td>
<td>28 Apr 06</td>
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<tr>
<td>Meet Foundations</td>
<td>1 May 06</td>
<td>31 May 06</td>
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<tr>
<td>First Draft of Project Initiation Document/</td>
<td>1 May 06</td>
<td>31 May 06</td>
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<td>Risk Register</td>
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<tr>
<td>Inaugural Meeting of Cross Berkshire HIA Project Group</td>
<td>1 May 06</td>
<td>31 May 06</td>
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<tr>
<td>Agree Project Group Membership, Project Methodology, Lead Responsibility, and Task Group Membership</td>
<td>1 May 06</td>
<td>31 May 06</td>
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## Work Area: Service Design

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<tr>
<td>Agreement of Scope Included In/ Excluded From Contract</td>
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<tr>
<td>Price (i.e. Funded From Other Sources)</td>
<td>1 Sep 06</td>
<td>26 Feb 07</td>
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<tr>
<td>Determine Service Volumes For Insertion In Specification And Tender Pack</td>
<td>1 Sep 06</td>
<td>26 Feb 07</td>
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<tr>
<td>Determine Service Objectives and Outcomes, Service Description, Access Arrangements, Definition of Eligible Service Users</td>
<td>1 Sep 06</td>
<td>4 Dec 06</td>
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<tr>
<td>Monitoring Requirements And Review Arrangements</td>
<td>1 Sep 06</td>
<td>26 Feb 07</td>
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<tr>
<td>Write a Specification</td>
<td>1 Sep 06</td>
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## Work Area: Financial Arrangements

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<td>Modelling of Service To Estimate Potential</td>
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<td>Contract Value</td>
<td>1 Sep 06</td>
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<tr>
<td>Decide Price Ceiling</td>
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<tr>
<td>Develop Funding Formula</td>
<td>1 Sep 06</td>
<td>26 Feb 07</td>
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<tr>
<td>Standardise Fee Income</td>
<td>1 Sep 06</td>
<td>26 Feb 07</td>
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<tr>
<td>Secure Agreement Of All Funding Partners To Funding Arrangements</td>
<td>1 Sep 06</td>
<td>30 Mar 07</td>
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<td>Identify Potential Partners</td>
<td>1 Sep 06</td>
<td>1 Dec 06</td>
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<td>Seek Additional Funding – PCPP/SSCAG/LAA</td>
<td>1 Aug 06</td>
<td>1 Jan 07</td>
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<td>Put In Place Memorandum Of Understanding Or Partnership Agreement To Underpin Funding</td>
<td>1 Feb 07</td>
<td>1 Apr 07</td>
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<td>Devise Contingency Plan if Formula Not Met Potential Outcomes Clarified</td>
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<td>1 Apr 07</td>
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<td>Work Area</td>
<td>Task Name</td>
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<tr>
<td>HR Issues</td>
<td>Identify Provider Staff That May Be Subject To TUPE/Local Govt Pension Scheme Arrangements</td>
<td>1 Mar 07</td>
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<td>Ensure Affected Staff Have Been Informed/Consulted By Employers Within Statutory Time Scales</td>
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<td>Ensure Contract Task Group Receive Necessary Information For Insertion In Contract/Tender Pack</td>
<td>1 Mar 07</td>
<td>1 May 07</td>
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<td>Pension Requirements And Contractual Assessments – Include Details Within Tender Pack</td>
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<td>Clarify Cost Implications – Who Funds?</td>
<td>1 Mar 07</td>
<td>1 May 07</td>
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<td>Contract Preparation</td>
<td>Draft Contract, Taking into Account Information Received From Finance, and HR</td>
<td>5 Feb 07</td>
<td>1 May 07</td>
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<td>Tender Preparation</td>
<td>Determine Tendering Process To Be Undertaken, Including Number of Stages</td>
<td>5 Feb 07</td>
<td>1 May 07</td>
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<td>Prepare Tender Pack</td>
<td>1 Mar 07</td>
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<td>Identify and Secure Agreement of Resources To Undertake Financial Appraisal And Evaluation Of HR, Health &amp; Safety Policies And Procedures</td>
<td>1 Mar 07</td>
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<td>Identify Any Other Technical Evaluations Required And Secure Agreement Of Relevant Resources</td>
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<td>Tender Process</td>
<td>In line with OJEU Restricted Tender Procedure as suggested by Procurement</td>
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<td>Place Tender Advertisement In Relevant Press</td>
<td>22 May 07</td>
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<td>Publish Contract On Any LA Websites</td>
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<td>Tender Advert Appears in Press</td>
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<td>Providers Register Interest (OJEU requirements are 37 days from dispatch of notice for suppliers to express interest in the contract) and completion of PQQ</td>
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<td>Meet the Buyers event</td>
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<td>Evaluation of PQQ</td>
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<td>4 Jul 07</td>
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<td></td>
<td>Invitation To Tender Documents Published</td>
<td>12 Jul 07</td>
<td>12 Jul 07</td>
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<td></td>
<td>Providers Complete and Return Tender Submissions (OJEU requirements are 40 days for bids to be received from suppliers selected)</td>
<td>12 Jul 07</td>
<td>21 Aug 07</td>
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<td></td>
<td>Tender Opening</td>
<td>21 Aug 07</td>
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<td>Tender Evaluation</td>
<td>Tender Evaluation Process</td>
<td>21 Aug 07</td>
<td>24 Aug 07</td>
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<td>Provider Presentation</td>
<td>5 Sep 07</td>
<td>5 Sep 07</td>
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<tr>
<td>Work Area</td>
<td>Task Name</td>
<td>Start</td>
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</tr>
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<td>-------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>---------</td>
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<tr>
<td>Set Up</td>
<td>RBC Initial Project Planning Meeting</td>
<td>3 Apr 06</td>
<td>28 Apr 06</td>
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<td></td>
<td>Notify Identified Project Group Members</td>
<td>3 Apr 06</td>
<td>28 Apr 06</td>
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<td></td>
<td>Meet Foundations</td>
<td>1 May 06</td>
<td>31 May 06</td>
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<td></td>
<td>First Draft of Project Initiation Document/Risk Register</td>
<td>1 May 06</td>
<td>31 May 06</td>
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<td></td>
<td>Inaugural Meeting of Cross Berkshire HIA Project Group</td>
<td>1 May 06</td>
<td>31 May 06</td>
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<tr>
<td></td>
<td>Agree Project Group Membership, Project Methodology, Lead Responsibility,</td>
<td>1 May 06</td>
<td>31 May 06</td>
</tr>
<tr>
<td></td>
<td>and Task Group Membership</td>
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</tr>
<tr>
<td>Service Design</td>
<td>Agreement of Scope Included In/Excluded From Contract</td>
<td></td>
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<tr>
<td></td>
<td>Price (i.e. Funded From Other Sources)</td>
<td>1 Sep 06</td>
<td>26 Feb 07</td>
</tr>
<tr>
<td></td>
<td>Determine Service Volumes For Insertion In Specification And Tender Pack</td>
<td>1 Sep 06</td>
<td>26 Feb 07</td>
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<tr>
<td></td>
<td>Determine Service Objectives and Outcomes, Service Description, Access</td>
<td>1 Sep 06</td>
<td>4 Dec 06</td>
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<td></td>
<td>Arrangements, Definition of Eligible Service Users</td>
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<td></td>
<td>Monitoring Requirements And Review Arrangements</td>
<td>1 Sep 06</td>
<td>26 Feb 07</td>
</tr>
<tr>
<td></td>
<td>Write a Specification</td>
<td>1 Sep 06</td>
<td>26 Feb 07</td>
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<tr>
<td>Financial</td>
<td><strong>Modelling of Service To Estimate Potential</strong></td>
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<td>Arrangements</td>
<td>Contract Value</td>
<td>1 Sep 06</td>
<td>26 Feb 07</td>
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<td></td>
<td>Decide Price Ceiling</td>
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<td>Develop Funding Formula</td>
<td>1 Sep 06</td>
<td>26 Feb 07</td>
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<td>Standardise Fee Income</td>
<td>1 Sep 06</td>
<td>26 Feb 07</td>
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<td>Secure Agreement Of All Funding Partners To Funding Arrangements</td>
<td>1 Sep 06</td>
<td>30 Mar 07</td>
</tr>
<tr>
<td></td>
<td>Identify Potential Partners</td>
<td>1 Sep 06</td>
<td>1 Dec 06</td>
</tr>
<tr>
<td></td>
<td>Seek Additional Funding – PCPP/SSCAG/LAA</td>
<td>1 Aug 06</td>
<td>1 Jan 07</td>
</tr>
<tr>
<td></td>
<td>Put In Place Memorandum Of Understanding Or Partnership Agreement To</td>
<td>1 Feb 07</td>
<td>1 Apr 07</td>
</tr>
<tr>
<td></td>
<td>Underpin Funding</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Devise Contingency Plan if Formula Not Met Potential Outcomes Clarified</td>
<td>1 Feb 07</td>
<td>1 Apr 07</td>
</tr>
<tr>
<td>Work Area</td>
<td>Task Name</td>
<td>Start</td>
<td>Deadline</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------------------------------------------------------------------</td>
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<tr>
<td>Provider</td>
<td>Approval of Preferred Tenderer By Director Of Community Care Or Service Executive Member</td>
<td>5 Sep 07</td>
<td>28 Sep 07</td>
</tr>
<tr>
<td>Appointment</td>
<td>Successful Provider Notified</td>
<td>1 Oct 07</td>
<td>5 Oct 07</td>
</tr>
<tr>
<td></td>
<td>Letters to Unsuccessful Tenderers</td>
<td>1 Oct 07</td>
<td>1 Oct 07</td>
</tr>
<tr>
<td></td>
<td>Negotiation Of Any Outstanding Issues With Successful Provider</td>
<td>5 Oct 07</td>
<td>1 Oct 07</td>
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<tr>
<td></td>
<td>Completion And Signature Of Contract Documentation</td>
<td>5 Oct 07</td>
<td>5 Nov 07</td>
</tr>
<tr>
<td>Service</td>
<td>Plan For Transition To New Provider Of Single Service:</td>
<td>5 Oct 07</td>
<td>3 Jan 08</td>
</tr>
<tr>
<td>Implementation</td>
<td>1. Transfer Of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Case Records And Closure Against Categories, Vehicles/Equipment, Premises, Computers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Agree Access Arrangements For All Organisations, Including Operational Staff/Carers/Users</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Provide Staff Handbook Of Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Consider Single Name For Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Develop New Public Information</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Liaison Between Funding Bodies, Outgoing Service Providers And New Service Provider To Ensure Smooth And Successful Transfer</td>
<td>5 Oct 07</td>
<td>21 Dec 07</td>
</tr>
<tr>
<td></td>
<td>IT And Other Support Systems In Place</td>
<td>5 Oct 07</td>
<td>21 Dec 07</td>
</tr>
<tr>
<td></td>
<td>Access Arrangements To New Service To Be Communicated To Operational Staff In All Relevant Organisations And Any Relevant Training Organised</td>
<td>5 Oct 07</td>
<td>23 Nov 07</td>
</tr>
<tr>
<td></td>
<td>Publicity Organised</td>
<td>5 Oct 07</td>
<td>7 Dec 07</td>
</tr>
<tr>
<td></td>
<td>Access Arrangements To New Service To Be Communicated To Operational Staff In All Relevant Organisations And Any Relevant Training Organised</td>
<td>5 Oct 07</td>
<td>23 Nov 07</td>
</tr>
<tr>
<td></td>
<td>Publicity Organised</td>
<td>5 Oct 07</td>
<td>7 Dec 07</td>
</tr>
<tr>
<td></td>
<td>Full Commencement Of Service</td>
<td>03 Jan 08</td>
<td></td>
</tr>
<tr>
<td>Reporting</td>
<td>Reports To Lead Members</td>
<td>03 Apr 06</td>
<td>03 Apr 06</td>
</tr>
<tr>
<td>Arrangements</td>
<td>Reports to Cabinet Seeking Approval To Proceed</td>
<td>04 Dec 06</td>
<td>04 Dec 06</td>
</tr>
<tr>
<td></td>
<td>Report to Commissioning Body Seeking Approval</td>
<td>03 Apr 06</td>
<td>03 Apr 06</td>
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</tbody>
</table>
## Appendix 1
### Risk Management Matrix

<table>
<thead>
<tr>
<th>Likelihood</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Very High</td>
</tr>
<tr>
<td>B</td>
<td>High</td>
</tr>
<tr>
<td>C</td>
<td>Significant</td>
</tr>
<tr>
<td>D</td>
<td>Low</td>
</tr>
<tr>
<td>E</td>
<td>Very Low</td>
</tr>
<tr>
<td>F</td>
<td>Insignificant</td>
</tr>
</tbody>
</table>

The matrix is used to assess risks based on their likelihood and impact. The likelihood is categorized from Very High to Insignificant, while the impact is categorized from Disastrous to Negligible.

### HIA TOP PROGRAMME RISKS

<table>
<thead>
<tr>
<th>RISK No</th>
<th>RATING</th>
<th>OTHER REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>B2</td>
<td>LA spec Agreement</td>
</tr>
<tr>
<td>3</td>
<td>C2</td>
<td>Provider Performance</td>
</tr>
<tr>
<td>6</td>
<td>C2</td>
<td>Budget</td>
</tr>
<tr>
<td>7</td>
<td>C2</td>
<td>TUPE delays</td>
</tr>
<tr>
<td>9</td>
<td>D1</td>
<td>Lack of Providers to tender</td>
</tr>
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</table>
### Appendix 1 - Risk Management Matrix

<table>
<thead>
<tr>
<th>Risk Number</th>
<th>Current Risk Score</th>
<th>Target Risk Score</th>
<th>Description</th>
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<tr>
<td>[no.]</td>
<td>[matrix position]</td>
<td>[improved position] [short name]</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>F1</td>
<td>E2</td>
<td>Lack of agreement to Spec</td>
</tr>
<tr>
<td>2</td>
<td>D2</td>
<td>E2</td>
<td>Lack of funding</td>
</tr>
<tr>
<td>3</td>
<td>C2</td>
<td>D3</td>
<td>Current provider performance deterioration</td>
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#### Impact

<table>
<thead>
<tr>
<th>Likelihood</th>
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<tbody>
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<td>D</td>
</tr>
<tr>
<td>E</td>
</tr>
<tr>
<td>F</td>
</tr>
<tr>
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#### Responsibility

<table>
<thead>
<tr>
<th>PUN</th>
<th>RATING VALUE</th>
<th>Register Date</th>
<th>Risk</th>
<th>Required management action/control</th>
<th>Responsibility for action</th>
<th>Critical success</th>
<th>Review frequency</th>
<th>Escalation to Board &amp; Date</th>
<th>Sign Off &amp; Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>B2</td>
<td>18 May 2006</td>
<td>Lack of Internal agreement within each authority on specification</td>
<td>Each local authority to have internal project plan with clear responsibilities</td>
<td>Service Managers active and members of Project board</td>
<td>Project Meetings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>C2</td>
<td>18 May 2006</td>
<td>Failure of Cross Authority Partnership</td>
<td>Contingency Plan to ensure continuity of service whilst options are evaluated</td>
<td>Budget holders indentified and members of project team</td>
<td>Project Meetings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>C2</td>
<td>18 May 2006</td>
<td>Continued deterioration of service provision from current provider due to future uncertainty</td>
<td>Contract Management Meetings held monthly and issues discussed and monitored</td>
<td></td>
<td>Project Meetings</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
## Appendix 1 - Risk Management Matrix

<table>
<thead>
<tr>
<th>Likelihood</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>IV</th>
<th>III</th>
<th>II</th>
<th>I</th>
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<tbody>
<tr>
<td><strong>Impact</strong></td>
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<table>
<thead>
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<th>Risk Number</th>
<th>Current Risk Score</th>
<th>Target Risk Score</th>
<th>Discription</th>
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<td>[improved position]</td>
<td>[short name]</td>
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<td>4</td>
<td>C2</td>
<td>D2</td>
<td>Lack of cross authority agreement to critical issue</td>
</tr>
<tr>
<td>5</td>
<td>D2</td>
<td>D2</td>
<td>Capacity to deliver</td>
</tr>
<tr>
<td>6</td>
<td>C2</td>
<td>D2</td>
<td>Unforeseen budget issues</td>
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<table>
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<tr>
<th>PUN Value</th>
<th>RATING VALUE</th>
<th>Register Date</th>
<th>Risk</th>
<th>Required management action/control</th>
<th>Responsibility for action</th>
<th>Critical success</th>
<th>Review frequency</th>
<th>Escalation to Board &amp; Date</th>
<th>Sign Off &amp; Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>C2</td>
<td>18 May 2006</td>
<td>Lack of agreement across authority regarding a critical issue e.g. funding</td>
<td>Early commitment from each LA. Sign Memorandum of Understanding before going to advert.</td>
<td>Key LA reps on project team.</td>
<td>Memo of understanding.</td>
<td>Terms of ref for contact Management Group.</td>
<td>Project Meetings.</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>D2</td>
<td>18 May 2006</td>
<td>Officer resources and capacity to deliver</td>
<td>Free up resources to allow project management to take forward</td>
<td>Clear project plan linked to available resources</td>
<td>Project Meetings.</td>
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<td></td>
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<tr>
<td>6</td>
<td>C2</td>
<td>18 May 2006</td>
<td>Unforeseen budget issues including lack of agreement to LA funding</td>
<td>Clarity of budget position and project costs required from each local authority as soon as possible and and inputted into matrix to access viability of tender package. Budget managers from each LA involved in process.</td>
<td>Funding matrix agreed</td>
<td>Project Meetings.</td>
<td></td>
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### Appendix 1 - Risk Management Matrix

#### Impact

<table>
<thead>
<tr>
<th>Likelihood</th>
<th>A</th>
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<th>C</th>
<th>D</th>
<th>E</th>
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<td>II</td>
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<th>Description</th>
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<td>[short name]</td>
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<tr>
<td>7</td>
<td>C2</td>
<td>D2</td>
<td>TUPE delays</td>
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<tr>
<td>8</td>
<td>D2</td>
<td>D2</td>
<td>Timescale slippage</td>
</tr>
<tr>
<td>9</td>
<td>D1</td>
<td>F1</td>
<td>Lack of suitable tenders</td>
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</table>

<table>
<thead>
<tr>
<th>RUN</th>
<th>RATING VALUE</th>
<th>Register Date</th>
<th>Risk Description</th>
<th>Required management action/control</th>
<th>Responsibility for action</th>
<th>Critical success</th>
<th>Review frequency</th>
<th>Escalation to Board &amp; Date</th>
<th>Sign Off &amp; Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>C2</td>
<td>18 May 2006</td>
<td>TUPE/ Pension Issues cause delay</td>
<td>HR provide information at an early stage</td>
<td>Involve HR in project team</td>
<td>Project Meetings</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>D2</td>
<td>18 May 2006</td>
<td>Timescale too sight for slippage</td>
<td>Clarity of deadlines. Clear project plan.</td>
<td>Monitored project plan</td>
<td>Project Meetings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>D1</td>
<td>18 May 2006</td>
<td>No suitable providers tenders</td>
<td>Foundations assistance to access the Market and advise on the construction of the tender for maximum appeal. Contingency Plan to ensure continuity of service.</td>
<td>Involve Foundations</td>
<td></td>
<td></td>
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</table>
Appendix 2
Memorandum of Agreement

Devon Social Services Directorate

Memorandum of Agreement

Title of Contract:

Countywide Home Improvement Agency Service

This agreement is between:

Devon County Council and

Part A: Description of Contract

Introduction

This Memorandum of Agreement relates to the contract for the Countywide Home Improvement Agency Service, which has been tendered and approved in line with the Devon County Council Constitution. The contract is for the purchase of services for individuals who need support in order to maintain their independence, health and well-being in their chosen home for as long as possible.

The contract will be between (the Service Provider), who were the successful provider following a competitive tender process, and Devon County Council which is acting as the lead commissioner on behalf of the six Primary Care Trusts (PCTs), eight District Councils, Supporting People and Social Services.

Length of Agreement

The duration of this Memorandum of Agreement is in line with the duration of the contract.

The contract will take effect on 3rd April 2006 for a period of five years. Reference should be made to clause 25 of the contract regarding conditions for termination of the contract. The contract may be terminated by either party giving not less than 12 months notice in writing. Where the service provider is in serious or persistent breach of the terms of the contract Devon County Council may terminate the contract with immediate effect.

Contract Review Arrangements

Any contract performance concerns notified to Devon County Council will be shared with the funding bodies. The funding bodies will be involved and consulted regarding the requirement for any default notice to be issued or termination of the contract.

The contract may be reviewed at any time upon the request of either Devon County Council or (the Service Provider). A review meeting will be held quarterly during the first year of the contract, and six-monthly thereafter to review the contract. The review meeting to be held eighteen months from the commencement of the contract will consider whether any adjustment should be made to the price for the contract, in the light of monitoring information gathered during the first 12 months. The contract will be reviewed not less than 12 months prior to the expiry date in order to determine whether it is to be renewed for a further period. The funding bodies will be invited to participate in this review which will consider the continued funding of the service as well as service performance issues.
Memorandum of Agreement Continued

Service Monitoring Arrangements

The service will be subject to monitoring requirements set out in the contract. Devon County Council will establish a Service Monitoring and Development Board (SMDB) with the roles and responsibilities described in clause A11 of the contract, to include representation from all funding bodies and other stakeholders.

Contract Variations

During the period of the contract, Devon County Council and (the Service Provider) will work together to reshape the service to reflect information resulting from the monitoring of the service and the review of the contract. The funding bodies will be invited to participate in this activity. Any changes to services or how they are delivered will be negotiated between Devon County Council and (the Service Provider) with involvement of the funding bodies, including any associated changes to the price. Any variation to the contract shall be made in writing in the form of a Variation Letter agreed and signed by Devon County Council and (the Service Provider). These variations shall be notified to the funding bodies with any associated changes to the Memorandum of Agreement if required.

Any variations in local policies within any of the funding bodies which will impact on the delivery of the services under the contract will be communicated to Devon County Council and this Memorandum of Agreement will be updated as required to reflect any changes in the organisational structures of any of the funding bodies.

Part B: Financial Arrangements

Contract Price

The annual amount payable to Devon County Council by each funding body is shown in Part C: Funding Formulas. Table 1 reflects the funding formula for 2006/2007 and table 2 reflects the funding formula for 2007/2008 and thereafter. These figures are base rates and exclude future inflationary increases.

The funding body contribution can comprise fee income and revenue funding at a level to be determined within the individual funding body.

Inflation Rates

The annual inflation increase will be determined as set out in the contract, which states that each year with effect from the first Monday in April the price for the service will be increased in accordance with the Consumer Prices Index (CPI) overall rate as at the 1st April of that year.

VAT Arrangements

The sums of money as set out in Part C: Funding Formulas are grants towards the pooled service arrangements and are therefore not for consideration for direct supply of goods or services on a contractual basis. In view of this arrangement the payments due from the funding bodies will be outside the scope of VAT.
Memorandum of Agreement Continued

Payment Arrangements

The first payment made by each of the funding bodies will be paid to Devon County Council on the commencement date of the service (Monday 3rd April 2006) and monthly thereafter on the first day of the month, or the first banking day following. Payment shall be made by BACS.

The funding arrangements between Devon County Council and the funding bodies set out in Part C: Funding Formulas will apply for the duration of the contract and may be terminated by any or all of the funding bodies giving not less than 12 months notice in writing.
### Table 1: Funding Formula for 2006/2007

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Torridge</th>
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<th>South Hams/Teignbridge</th>
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#### Part C: Funding Formulas

### Table 2: Funding formula for 2007/2008 and thereafter

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Memorandum of Agreement Continued

Part D: Certification

The undersigned certify as follows:

(i) That the terms and conditions laid out in this memorandum of agreement and the contract between Devon County Council and (the Service Provider) are correct;

(ii) That the District Council will pay the contribution notified by Devon County Council in accordance with the payment arrangements set out above;

(iii) That the District Council will increase its contribution each year by the inflation rate set out above.

Duly Signed on behalf of the District Council:

Name: 
Position: 
Signature: 
Date: 

Duly Signed on behalf of Devon County Council:

Name: 
Position: 
Signature: 
Date:
Appendix 3
HIA Service Specification

To see an example of a HIA service specification, then please visit the Good Practice Section of the Foundations website. Under the contracting section you will see a Service Specification from Suffolk which you may find useful as a guide. Click below to access the Good Practice Section of the Website
