

**REPORT TO THE COUNCIL MEETING OF 30<sup>th</sup> July 2012**

**The following report has been added to the agenda with the consent of the Chairman as a decision is needed before the next meeting of Council**

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**Meeting:** Council  
**Date:** 30th July 2012  
**Subject:** Home Improvement Agency Contract  
**Report of:** Elaine Bird  
**Portfolio Holder:** Janette Ackerley  
**Status:** Implementation

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1 Purpose Report

1.1 The purpose of the report is to advise members of the outcome of joint commissioning process with the County Council for the provision of a Home Improvement Agency and to approve the provision of an annual budget for the continuation of the Council's loans and equity release scheme.

2 Recommendations:

2.1 **That an annual budget provision of £6000 is provided to enable the delivery of the Councils loan and equity release scheme by the appointed contractor.**

3 Summary of Reasons for the Recommendations

3.1 At the Executive meeting on 23<sup>rd</sup> July 2012 it was resolved that following the procurement process described in the Executive report in Appendix A, Harborough District Council enters into a contract with Company D for the provision of a Home Improvement Agency service commencing on 1<sup>st</sup> October 2012.

3.2 Recommendation 2.1 b of the above report refers to an **“Annual budget provision of £6,000 is made for the delivery of the Council’s loan and equity release scheme by the appointed contractor.”** Decisions on additional funding are required to be made through Council.

3.3 The procurement process was undertaken with Leicestershire County Council and other district council partners. There is an urgent need to inform the contractors of the outcome of the tender process and formally award the contract to Company D. This cannot take place until all parties have confirmed

that they are willing to appoint the relevant contractor and there is an expectation that confirmation will be given by the end of July 2012.

#### 4 Impact on Communities

- 4.1 The role of the Home Improvement Agency is to work with the most vulnerable households in the community to assist them in arranging for repairs and adaptations to be carried out to their properties and to enable them to live as independent lives as possible. If this service is not available there will be an impact on this sector of the community as the grant process can be lengthy and complicated with different agencies involved with the process.

#### 5 Key Facts

- 5.1 The Council's housing renewal programme offers a range of financial support to households who are unable to access commercial funding to undertake essential repairs to their property. The assistance includes property appreciation loans, small repayment loans and where necessary grant assistance.
- 5.2 Within the private sector renewal programme, there is currently an annual fee paid to the agency for the delivery of the loans and equity release scheme along with a fee for each completed case.
- 5.3 Due to the more complex nature of managing the loans and equity release scheme, the Council does pay the current HIA an annual maintenance fee. In addition the agency also receives a fee for each loan completed. The fees form part of the loan/equity release awarded to the applicant. It should be noted that the current fee structure was established when the original contract was awarded to the HIA, however since that time the core funding for the agency has been removed and consequently it was necessary to look at the fee structure as part of this contract to ensure a sustainable delivery of service.

#### 6 Legal Issues

- 6.1 Whilst it is not mandatory to provide financial assistance to enable home owners to carryout repairs to their properties, the Council does have a mandatory duty to ensure that homes are free for category one hazards in accordance with the Housing Act 2004. If assistance is not available through the HIA to encourage home owners to carryout essential repairs it could result in the Council having to take more enforcement action against vulnerable home owners.

#### 7 Resource Issues

- 7.1 For the majority of the services provided by the existing contractor, there is no core funding from the district council; however there is an annual fee of £2,000 for the delivery of the council's loan and equity release scheme. In previous years this has been funded through the decent homes funding from the Department of Communities and Local Government. However this budget is no longer available as it has been fully committed and no further funding will be available through this scheme. For the loans and equity release service to continue a budget of £6000 will be required.

## 8 Equality Implications

- 8.1 An equality impact assessment was carried out in March 2011 which concluded that the provision of a HIA service would have a positive impact on client groups such as the elderly and disabled residents in the district. Awarding the contract to maintain this service for a further three years will ensure the continuation of the benefits for the elderly and disabled residents

## Impact on the Organisation

- 9.1 The continued support of the Home Improvement Agency will enable the Council to work towards the objectives set out in the Council's Housing Strategy – A Home for All and the Council's key priority *"to support the vulnerable in our society at the heart of the community where they live"*.

## 10 Community Safety Implications

- 10.1 None identified

## 11. Carbon Management Implications

- 11.1 None identified

## 12. Risk Management Implications

- 12.1 The additional resources a HIA can provide will ensure better business continuity and service delivery.
- 12.2 The successful contractor has identified additional measures and improvements to the service which could be implemented during the lifetime of the contract.
- 12.3 The successful contractor proposes to have a base at Market Harborough so there will be a continued local presence of the HIA in the area.

## 13 Consultation

- 13.1 The Portfolio Holder has been advised on the outcome of the procurement process.

## 14 Options Considered

14.1 The following options have been considered –

- **Cease providing grant assistance to disabled residents and vulnerable homeowners.** This option was not considered further as the Disabled Facilities Grants are mandatory and the provision of assistance to vulnerable households to carry out repairs to their property reduces the enforcement burden on the local authority.
- **Bring the service in house.** Rather than awarding the contract to the successful bidder an option to bring the service back in house was considered. There would however be resource implications as the Technical Officer post currently seconded to the Home Improvement Agency works 0.5FTE in this role. If the service was brought back in house there would be a significant impact on the service delivery and time frames for the completion of works due to the reduction in the staffing resources available to undertake this work. In addition to the seconded member of staff, the agency also provides a technical officer, caseworker and admin support for the delivery of the service. In addition to the delivery of the DFG programme, the HIA also administers the Council's private sector housing renewal programme including the delivery of loans and equity release and bringing the service in house will lose this expertise.
- **Reject the outcome of the joint commissioning exercise with the County Council and undertake a further tendering process for the delivery of the service for HDC only.** This option was not considered any further as the costs of undertaking a further procurement process would be prohibitive and in addition the bid would not be a viable option for any supplier without the Supporting People funding from the Council
- **Approve the outcome of the joint commissioning exercise with the County Council and appoint the successful bidder to undertake the HIA service on behalf of the Council.** A single supplier across the County will provide economies of scale and ensure a consistent approach. In addition a single supplier will have greater business resilience for the delivery of the service. Undertaking a joint procurement has meant that the costs of this process have been kept to a minimum.

15 Background Papers

15.1 None

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**Previous report(s):** Report to the Executive Committee of the 19<sup>th</sup> December 2011.- **Update on the Home Improvement Agency Contract.**

**Information Issued Under Sensitive Issue Procedure: Y/N**

**Ward Members Notified: N/A**

**Previous report(s):** *text*

**Information Issued Under Sensitive Issue Procedure: Y/N**

**Ward Members Notified: Y/N**

**Appendices:** *list any appendices here including title and filename in brackets (e.g. Performance Data 2010 (perfddata.doc)).*

**A. Executive Report Home Improvement Agency Contract -July 23<sup>rd</sup> 2012**

**B.**

**C.**

**D.**