

**Newark and Sherwood Homes Third Party Service Provision - Shareholder Permission Request**

**Nottinghamshire Handyperson and Adaptation Service (HPAS) Tender Opportunity Business Case**

**Request Date: 9 January 2018.**

**Bid Submission Date: 15 January 2018.**

**Decision to submit bid and provide third provision party work required by Friday, 12 January**

**1.0 Introduction**

**1.1 Outline of Business Plan**

This business plan relates to Newark and Sherwood Homes' proposal to submit a tender to provide the Handyperson and Adaptation Service (HPAS) in Nottinghamshire. The Company intends to submit a tender to provide 2 lots; Newark and Bassetlaw. The length of each contract shall be an initial term of one year with the option to extend for up to three years in increments of up to 12 months.

The HPAS service provides handy person and minor adaptation services to customers regardless of tenure across Nottinghamshire. Due to its nature the service therefore aligns with the services delivered by the Company as part of its management agreement with the council and in particular the responsive repairs service which undertakes minor repairs and adaptations of a similar nature to that of the scheme for Tenants.

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**1.2 Benefits of Delivering the Contract**

- i. Contribution to delivery of Councils Strategic Objectives in relation to Homes, The Economy and Healthiness
- ii. Support the council in discharging its duties under the Homelessness Reduction Act through providing support to vulnerable people.

- iii. Delivery of housing maintenance services to vulnerable people in Nottinghamshire in line with the Company growth strategy and the Councils ambitions for the company to innovate and generate income.
- iv. Delivery of the service to residents of the District by a qualified and reliable organisation
- v. Filling the gap in the market due to local contractors (to Newark) proving challenging to secure and the scheme therefore not realising the desired outputs and outcomes
- vi. Provision of a value for money service through which the impact of the public funds aligned to the HPAS scheme can be maximised.

## **2.0 Background**

The Nottinghamshire Handyperson and Adaptations Service (HPAS) is a Nottinghamshire County Council service that provides the help and support people need to keep safe and secure in their home at low cost but high quality essential adaptations and small practical jobs. There are two elements to HPAS; Adaptations and Handyperson services. Adaptations are the main part of this service with 91% of jobs delivered in 2016-17 falling under this definition. Handyperson services are a minor part of the overall service.

The stated aims of the service are to carry out basic and practical maintenance jobs to enable the client group(s) identified to:

- i. maintain and maximise their independence in their own home
- ii. live in a warm, weather tight, safe and secure home
- iii. improve their quality of life, health and wellbeing
- iv. provide information and advice service which signposts clients to other services which furthers these aims

The service has been in place for a number of years but the current operating model has failed to deliver the service adequately. The County Council is therefore tendering the service in a number of lots to seek to deliver the service aims in an effective and efficient manner.

## **3.0 Development Ambition**

The successful attainment and delivery of the HPAS contract supports the generation of additional income that will contribute to Company overheads by providing additional property maintenance services which meet the needs of vulnerable people.

The ability of the Company to be successful in attaining a contract of the scale and nature of the HPAS contract is considered to be valuable in demonstrating the ability of the Company to provide services to third parties outside the current management agreement with the Council with minimal risk. This evidence will support future bids where appropriate and approved by the council and increase the Company's ability to generate additional income.

#### 4.0 Process

The following table sets out a summary of the procurement process and an indicative timetable:

Stage	Description	Date
ITT Response Date	Date by which bidders must compile their bids in the required format and submit them.	15 January 2018
Evaluation stage	Period during which the Council may wish to invite bidders to meet in order to clarify aspects of tender submissions.	15 January 2018 – 9 February 2018
Notification of evaluation outcome	After selection of any successful bidder(s), the Council will notify all bidders of the outcome of the evaluation. A 10 days standstill period will commence from this date.	Week commencing 19 February 2018

In parallel with the procurement process detailed above the Company will undertake pre-contract preparation works and, if successful, will contract mobilisation in the period from notification of outcome to contract start date in April.

#### 5.0 Governance and Management

The nature of the HPAS contract falls within the Company's articles of association.

The contract will be subject to the Company's usual governance and management mechanisms, specifically in relation to:

- i. Performance Management
- ii. Health and Safety
- iii. Recruitment and Selection
- iv. Equality and Diversity
- v. Insurance
- vi. Training and Development
- vii. Financial Accounting
- viii. Risk management
- ix. Procurement
- x. Exit strategy
- xi. Contractual legal position

The designated contract manager will be the Responsive Repairs Manager.

#### 6.0 Financial Case

The tender has been configured into lots as described below. Providers can bid for a maximum of 2 lots:

	District	Contract Value (per annum)
Lot 1	HPAS Ashfield	£32,500
Lot 2	HPAS Bassetlaw	£39,000
Lot 3	HPAS Broxtowe	£30,000

Lot 4	HPAS Gedling	£35,000
Lot 5	HPAS Mansfield	£41,500
Lot 6	HPAS Newark	£34,500
Lot 7	HPAS Rushcliffe	£24,000

It is envisaged that up to three providers will be awarded a contract for each lot in each of the seven districts as a result of this procurement exercise and that the award and value of work will be equal across the three providers.

It has also been indicated that should there not be demand for a lot (and this has previously been the case with the Newark lot) then the lot could be awarded to a single provider.

The length of each contract shall be an initial term of one year with the option to extend for up to three years in increments of up to 12 months.

The Company is confident that the costs of providing the HPAS service inclusive of overheads will allow for income to be generated based on the works values. Before submitting a tender the Company will assess the costs of the provision of this service and will only progress a tender once there is certainty.

## **7.0 Set Up Costs**

The set up costs related to the contract are not significant and relate to amendment to current policies and procedures to take into account the provision of services to a third party, such as:

- i. System Changes to ensure effective job logging and allocation of the work to the correct resource
- ii. Work specifications, trade and time allocations
- iii. Design and implementation of charge recovery mechanisms
- iv. Monitoring and reporting tools

Further set up costs include ensuring that the resources are available to discharge the contract specification.

It is considered that flexibility within current resource levels can accommodate the demand levels across the areas to be tendered for thereby reducing the level of setup costs. The income secured through the tenders (if successful) will cover the ongoing costs of delivery.

## **8.0 Operating Costs**

The operating costs model of the service will be engineered to ensure all costs of providing the HPAS service inclusive of overheads will be met through the contract sums. This may include the engagement of additional resources at specific times to meet service demand dependent upon any lots allocated to the Company should the tender be successful.

## 9.0 SWOT and Risk Management Plan

<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"><li>• Fit with Company's Vision, Mission and Strategic Objectives</li><li>• Alignment with Councils strategic priorities and desire for the Company to income generate and innovate</li></ul>	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"><li>• Limited previous experience of third party contracting</li></ul>
<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"><li>• To generate additional income</li><li>• To develop a positive relationship and image with third party which will support further tender success</li><li>• Gain experience in third party delivery</li><li>• Improve the delivery of the HPAS service within the District by filling the gap left by the private sector</li></ul>	<p><b><u>Threats</u></b></p> <ul style="list-style-type: none"><li>• Submission costs lost if tender unsuccessful</li><li>• Exit costs if contract lost</li></ul>

### Risks

The following risks have been identified associated to the project and actions plans will be developed to manage these risks:

- i. Tender submission is unsuccessful/costs of submission lost
- ii. Costs of delivering the service in line with the contract are not covered by the contract sum