

COMMITTEE**Agenda Item**

Brighton & Hove City Council

Subject:	Housing Adaptations Framework Re-Let		
Date of Meeting:	20 January 2021		
Report of:	Executive Director of Housing, Neighbourhoods and Communities		
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report seeks approval to re-tender the Adaptation Framework Agreement for adaptations in council properties and private sector dwellings
- 1.2 The proposed framework agreement has the following benefits:
- Delivers best value for money by allowing good economies of scale.
 - Six specialist adaptations contractors allow for a responsive service and provide good capacity.
 - Contractors are assessed on quality as well as cost to ensure a high standard of work and customer service
 - Adaptations can be provided in the shortest possible time, avoiding lengthy individual tenders.

2. RECOMMENDATIONS:

That Housing Committee:

- 2.1 Approves the procurement of a framework agreement for the provision of housing adaptations for a term of three (3) years, with the option to extend that framework agreement for a period of up to one (1) year subject to satisfactory performance.
- 2.2 Authorise the Interim Executive Director for Neighbourhoods, Communities and Housing:
- 2.2.1 to carry out the procurement of the framework agreement referred to in 2.1 above including the award and letting of that framework agreement;
- 2.2.2 to approve the extension to the framework agreement referred to in 2.1 above, if required, dependent on satisfactory performance;

2.2.3 to award any call-off contracts under the framework agreement referred to in 2.1 above should they consider it appropriate at the relevant time.

3. CONTEXT/ BACKGROUND INFORMATION

3.1 The Council has duties arising under the Care Act and 1996 Housing Grants, Construction & Regeneration Act to assess a disabled person’s need for adaptations and, where necessary and appropriate, reasonable and practicable, to make funding available for housing adaptations for specific purposes promoting independent living and wellbeing.

3.2 Major adaptations in council homes are delivered through the Adaptation Framework Agreement of specialist contractors and managed directly by Home Improvement Officers (HIOs) in the Housing Adaptation Service. The current Framework agreement is set to expire 23 September 2021 and originally had 6 appointed contractors - one ceased trading in 2018 and Mears Limited have never taken any works orders despite winning a place on the framework. Some management of this was attempted during the first year of the framework, though it became clear that they were unable to resource provision of adaptations at that time.

3.3 The council has allocated £1.475m from the Housing Revenue Account for the provision of Adaptations in 2020/21. Current Budget proposals for 2021/22 assume the same level of budget..

3.4 In the private sector major housing adaptations for those on low incomes are largely funded by Disabled Facilities Grant (DFG), a mandatory Housing grant available from the council. Since 2003 the Council has commissioned a Home Improvement Agency (HIA) service to support disabled people in the private sector access grant funding and provide technical support with getting the work done. The HIA has 3rd party access to the Adaptations Framework for grant assisted major adaptations, ensuring value for grant and quality work. Access to the Framework, rather than tendering every job, results in cost savings of approximately 15% and has speeded up the grant approval process while maintaining a high number of grants completed annually. Benchmarking using Foundations DFG Analytics network showed the council costs for a level access shower were in the bottom 25% nationally, despite high local build costs.

3.5 DFG funding nationally and locally has increased significantly since 2015, rising from £220m in 2015/16 to £505m nationally in 2019/20. For 2020/21, £2.038m was allocated locally to Brighton & Hove of which £1.860m was transferred to Housing for adaptations. In addition to the mandatory DFG we have a discretionary DFG Housing policy offering a wider range of assistance funded by DFG for older and disabled adults and children targeted at accident prevention, tackling fuel poverty and assisting hospital discharge. The table below show the success of the current framework in terms of jobs completed:

3.6

	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20
	Private Sector	Council Housing						
Adaptations	222	272	146	228	159	216	261	265

Expenditure (£'000)	£1,306	£1,132	£1,175	£1,144	£1,463	£1,227	£1,394	£1,349
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- 3.7 Overall the current framework is performing well and customer satisfaction with the current contractors is high with 94% stating they are “very satisfied” following the completion of works.
- 3.8 Performance is managed through regular contract review meetings. The performance of contract managers is responsive to service needs and communication is good. For example, we have seen extensive and compliant changes in procedures to manage the risk of working in peoples’ homes during Covid, and customer reassurance, with contractors routinely contacting clients before visiting to check the health status of the client and in one case (T Brown) calling before operatives arrive to confirm the member of staff’s temperature has been taken and is normal.
- 3.9 Although capacity has been a challenge at times due to reasons previously stated around two appointed contractors, aiming to have 6 contractors on the framework is the correct number as it provides sufficient capacity for the council whilst ensuring an attractive amount of work for appointed contractors and therefore encourages prospective tenders. The anticipated value of the framework is £10.4m over 4 years
- 3.10 The schedule of rates itself is continuing to function well, though the items will be reviewed to include new innovations in the sector and ensure the most environmentally friendly products are used.
- 3.11 Other options to provide this service have been considered by the Procurement Advisory Board (see 5 below) however re-letting the framework on similar terms to current arrangement was agreed as the preferred option.
- 3.12

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Access Central Purchasing Body Frameworks

Previously a suitable framework had been identified however at this time there is no accessible framework available to the council.

4.2 Tender for each discrete Adaptations project

Continued provision of adaptations in council properties would still be necessary while complying with CSOs for each discrete adaptation project. This route is not the preferred option for this particular requirement as:

- it is a repetitive, time-consuming process for each project (3-6 months dependent on value and award sign-off)
- It is resource intensive (around 500 tenders per year) for the council and the contractors– which could lead to fatigue by all parties

- the council would lose the ability to engage quickly with contractors resulting in a slower process.
- it would add complexity with potentially different contractors for the council to manage on each project with no overarching contract terms.
- quality could be put at risk due to numerous contractors completing work
- the council could lose the benefits of economies of scale

However, there would be limited advantages to the council if this route was progressed:

- potential pricing competitiveness may be achieved as each project will be tested in the marketplace
- smaller more local contractors may be interested in the discrete projects which may in turn benefit the local economy
- new entrants to the market could be accommodated

4.3 **Council own tender for Adaptations Framework (PREFERRED OPTION)**

Whilst this route would require a full PCR2015 tender exercise due to the anticipated values, be a relatively timely process taking 6-9 months to complete and be resource intense to the council officers and contractors it is considered to be the preferred route for this requirement.

The reason this is considered the preferred route is due to the many benefits outlined below:

- quick and simple once in place - there's no need to run a full tender exercise for each discrete project resulting in the fastest turn around time for residents.
- the council has full control over specification of works
- contractors have full knowledge and understanding of the council processes and requirements once framework is in place. This greatly reduces the learning curve impact the council would encounter with other options.
- the potential of contractors obtaining work from this consolidated procurement levy's economies of scale and reduces cost.
- the council has full control of management and costs.
- common terms and conditions stipulated by the council
- there would be no commitment from the council to actually place any work through the framework
- the process to award a framework agreement will be run in accordance with PCR2015 as well as the council's CSOs

4.4 **Council own Dynamic Purchasing System (DPS)**

A compliant procurement would need to be undertaken in accordance with the Public Contract Regulations 2015, which would follow the rules of the restricted procedure with the condition that all bidders satisfying the selection criteria been admitted to the DPS and the number of bidders admitted to the DPS is not limited. DPS arrangements are best suited in areas of spend where certain elements come together, a large volume of contractors (with no recognised single or natural marketplace or connection between those contractors) coupled with a large volume of transactions.

There are several advantages with this option:

- Once in place it will provide a quick and compliant tender process adhering to Public Contracts Regulations 2015.
- Competitive rates can be secured following mini competition call offs for each requirement.
- Accommodates the addition of any new contractors (who satisfy the selection criteria) entering the market place and provides the ability for the capacity of the system to be maintained if a contractor is removed from the system due to performance issues or if the contractor ceases to trade.
- Social value can be delivered in accordance with the Council's social value framework.
- Terms and conditions used will satisfy the Council's specific requirements.

There are several disadvantages with this option:

- Resource intensive to draft documentation and to set up the arrangements for the system
- Ongoing officer resource to manage the arrangement once it is in place
- Contractors may not have full knowledge and understanding of the council processes and requirements. This would increase the learning curve impact the council would encounter.
- The Councils housing adaptations requirement does have a significant number of requirements each year however the limited number of contractors in the market place does not make a DPS a suitable option.

4.5 **Provision of this contract in-house**

During the recent insourcing of the council's Responsive Repairs, consideration was given to the inclusion of adaptation works. However, the decision was made to keep these works separate due to their specialist nature. With the number of jobs exceeding 500 per year, the additional resources required to bring this contract in house would represent a significant growth in establishment posts. The current contractors' employees are unlikely to transfer to the council as they are not an organised grouping to which the TUPE regulations would apply. . This would mean that the Council would need to employ specialist staff to provide the framework in-house which would be difficult due to attracting the staff with the right specialisms;

A report setting out the future provision of the Home Improvement Agency services was agreed in November, and approved a decision that these services be brought in house from June 2021. The HIA service is responsible for managing the DFG process .This represents a substantial change in the Housing Adaptations Services working practices and there could be a risk in overloading in-house staff. For these reasons it is not recommended to bring this framework contract in-house.

5. **COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Satisfaction levels with framework contractors based on resident feedback are high, as mentioned earlier in the report.

- 5.2 A representative of the Housing Adaptations Service attends Tenants' Disability Network (TDN) and the team are therefore able to continually respond to feedback and concerns raised.
- 5.3 Representatives from both Tenants' Disability Network and Possibility People will be invited to participate in quality scoring of submitted tenders.

6. CONCLUSION

- 6.1 Current arrangements are providing adaptations to a high standard and competitive cost and has improved delivery times for the client. While some minor refinements to the terms are planned, the success of the current adaptations framework suggests that a re-let of a revised and updated Council framework agreement is the most appropriate course of action.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The report outlines the success of the current framework arrangements and recommends the procurement of a similar framework. For 2020/21, the HRA has a capital budget of £1.475m for aids and adaptations and there is also a Housing General Fund budget of £1.860m. The HRA budget report (elsewhere on this agenda) includes proposals for the same level of budget in 2021/22 for disabled Aids and Adaptations. The budget for Housing General Fund for 2021/22 is not yet determined as this is funded by the Disabled Facilities Grant allocated by Government as part of the Better Care Fund. The council is waiting for news about its allocation for 2021/22 and is likely to hear sometime in February/March 2021. Indications are that the allocation will be at least the same, if not more than 2020/21.

Finance Officer Consulted: Monica Brooks

Date: 18-12-20

Legal Implications:

- 7.2 The Council is required to comply with the Public Contracts Regulations 2015 in relation to the procurement and award of contracts above the relevant financial thresholds for services, supplies and works. The Council's Contract Standing Orders (CSOs) will also apply.

Lawyer Consulted: Alice Rowland

Date: 4.1.21

Equalities Implications:

- 7.3 The purpose of the framework is to promote equality for disabled people in Brighton and Hove by increasing the capacity of people to remain independent and benefit from an improved quality of life. Equality and Inclusion statements from the tenderers will be considered during quality scoring. Monitoring of Equality performance will be carried out during regular contract review meetings.

Provision will be made in the specification to ensure communication with residents is appropriate to their needs. An Equality Impact assessment is planned.

Sustainability Implications:

- 7.4 Points will be awarded during quality scoring on measures taken by contractors to promote sustainability, reduce use of single-use plastic and minimise fossil fuel use. Eco-friendly products will be specified, where available.

Brexit Implications:

- 7.5 see 7.6.4

Any Other Significant Implications:

None

Crime & Disorder Implications:

- 7.6 None

Risk and Opportunity Management Implications:

- 7.7.1 The following risks have been considered:

7.7.2 **Contractors cease trading.** This has happened on the current framework and there has been adequate capacity to continue with remaining contractors

7.7.3 **Contractors win place but refuse works.** This has happened on the current framework and there has been adequate capacity to continue with remaining contractors. We think this is an unlikely outcome in a future framework.

7.6.3 **Increase in costs due to unexpected event, e.g. disorderly Brexit, may cause contractors to refuse orders at agreed prices.** Should this become a problem it is likely that we would apply an uplift across the board in close consultation with corporate Procurement team and Legal.

7.6.4 **Contractor's work is not of sufficient quality.** There are currently, and would be, measures to manage contractor performance in the contract. Should any contractor fail to improve after such measure are applied there should be adequate capacity for other contractors to pick up their work.

Public Health Implications:

- 7.7 The provision of adaptations can not only reduce care costs but reduce costs to the NHS by preventing hospital admission for falls-related injuries in addition to the benefits of maintaining the health, dignity and independence of recipients.

Corporate / Citywide Implications:

- 7.8.1 A City to Call Home: providing adaptations helps meet the council's priority to improve access to good quality housing.
- 7.8.2 A City Working for All: providing adaptations protects and supports local small businesses and develops high quality jobs for local people.
- 7.8.3 A Stronger City: providing adaptations helps make Brighton and Hove a fair and inclusive place for disabled people.
- 7.8.4 A Growing and Learning City: providing adaptations for children and low-income residents helps the Council to focus on inclusion and improving outcomes for the most disadvantaged
- 7.8.5 A Healthy and Caring City: providing adaptations ensures that the most vulnerable residents in the city are prioritised.

SUPPORTING DOCUMENTATION

Appendices:

- 1. None

Background Documents

- 1. None