

# Brighton & Hove City Council

## Housing & New Homes Committee

## Agenda Item 52

**Subject:** Housing Adaptations Framework Re-let

**Date of meeting:** 24 January 2024

**Report of:** Executive Director of Housing, Neighbourhoods and Communities

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**Ward(s) affected:** All

**For general release**

### 1. Purpose of the 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

2.1 That Committee approve the procurement of the Adaptations Framework Agreement for three years from October 2024 with the option to extend for a further 12 months.

2.2 That Committee authorise the Executive Director for Housing, Neighbourhoods and Communities to enter into a Framework Agreement with contractors following a compliant procurement process.

### 3. Context and 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 both "necessary and appropriate" and

“reasonable and practicable”, to make funding available for housing adaptations for specific purposes promoting independent living and wellbeing.

- 3.2 The council has allocated £1.6m from the Housing Revenue Account for the provision of Adaptations in 2023/24. For those who are not council tenants adaptations are funded through Disabled Facilities Grants....
- 3.3 Major adaptations in council homes are delivered through the framework of specialist contractors and managed directly by Home Improvement Officers (HIOs) in the Housing Adaptations Service. The current framework agreement is set to expire in early 2025. There is no inflationary uplift in the current framework and for this reason the aim is to let the new framework by October 2024 to ensure prices are commercially viable and services can continue to be provided.
- 3.4 Disabled Facilities Grant (DFG) applicants have 3<sup>rd</sup> party access to the framework prices. DFGs are available in the private sector, including housing associations, for major adaptations (those costing over £1,000). This access resulted in a saving of approximately 15% over individual tendering, has helped expedite grant approvals and facilitates access to reputable specialist contractors. DFGs are allocated via the Housing Service’s Adaptations Team...
- 3.5 DFG funding has risen nationally from £505m 2019/20 to £573m in the current financial year. This equates to a local allocation of £2.313m to the Better Care Fund in the current financial year of which £2.217m was transferred to Housing for adaptations. In addition to the mandatory DFG, the council offers a discretionary DFG grant programme: [Disabled Facilities Grant Housing Policy](#). These grants allow 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.
- 3.6 Demand for adaptations remain high with the spend and number of adaptations completed in recent years detailed in the table below:

Year	2019/20	2020/21	2021/22	2022/23	2023/24 (to 14/12/23)
<b>Council adaptations</b>	265	197	242	193	140
<b>Council Spend</b>	£1,449,718	£1,451,868	£1,126,996	£965,300	£908,154
<b>Mandatory DFGs completed</b>	144	141	150	172	107
<b>Discretionary DFG completed</b>	117	94	91	86	90
<b>DFG spend</b>	£1,749,479	£1,676,819	£2,066,077	£2,091,098	£1,238,678

- 3.7 Despite an expected dip in provision relating to the pandemic, the framework continues to perform well. Many compliments are received about

the completed adaptations and tradespeople carrying them out (12 in 21/22 and 22 in 22/23). Where problems occur the ongoing nature of the framework means they are addressed and resolved promptly in the interest of maintaining future work. The six place framework ensures adequate capacity to manage in the event of persistent quality issues with a particular contractor or if they became insolvent. Local specialist SMEs providers will be encouraged in the procurement process.

- 3.8 Please note some works completed by the Housing Adaptations Service will fall outside of the scope of this framework. Examples include lifts (separate framework) or extension projects (individually tendered). Estimated framework spend through the framework for the coming years are £1.4m per year for HRA and £1.9m from DFG coming to £3.3m per year
- 3.9 The anticipated value of the contract over the period of 3 years plus optional one year extension is £13.2m

#### **4. Analysis and consideration of alternative options**

##### **4.1 Access central purchasing body frameworks**

At this time there is no accessible framework available to the council. The council is therefore unable to run a mini competition from the framework to let projects as they are defined and required.

##### **4.2 Tender for each discrete adaptations project**

Continued provision of adaptations in council properties would still be necessary while complying with Contract Standing Orders 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 **Provision of this contract in-house**

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.

We are aware that the current contractors' employees are unlikely to TUPE to the council as they have specialist skills and would be redeployed elsewhere within the contractor's portfolio. This would mean that we 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. For these reasons it is not recommended to bring this framework in-house.

### 5. **Community engagement and consultation**

5.1 The Operations Manager – Housing Adaptations attends the Tenant's Disability Network (TDN) and the team are therefore able to continually respond to feedback and concerns raised in relation to council homes.

5.2 Regular review meetings for the Hospital Discharge Grant Partnership keep the Housing Adaptations Service in touch with Possability People with open feedback through this route.

5.3 Representatives from both the above groups will be invited to participate in elements of quality scoring of submitted tenders.

### 6. **Conclusion**

6.1 Current arrangements are providing adaptations to a high standard and competitive cost and have 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 BHCC Framework Agreement is the most appropriate course of action.

### 7. **Financial implications**

7.1 For 2023/24, the council has adaptations budgets of £1.600m in the HRA capital programme (funded through tenants' rents) and £2.217m in the General Fund Capital Programme. The general fund budget is funded through the Better Care Fund (BCF) - Disabled Facilities Grant allocation.

7.2 22024/25 Budgets for both the HRA and General Fund will be set in February 2024. For 2024/25, the DFG allocation from Government remains the same as 2023/24 at £2.313m.

Name of finance officer consulted: Monica Brooks      Date  
consulted:09/01/24

## **8. Legal implications**

- 8.1 The council is required to comply with the Public Contract Regulations 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 will also apply.

Name of lawyer consulted: Liz Woodley      Date consulted 11/01/24:

## **9. Equalities implications**

- 9.1 The nature of the framework is to promote equality for disabled people in Brighton & Hove. In addition to this, 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 has been completed and is attached at Appendix 1. The framework will complement the Accessible City Strategy's approach in the public realm, providing safe and independent access in domestic settings.

## **10. Sustainability implications**

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

## **11. Other Implications**

### **Social Value and procurement implications**

- 11.1 The current framework has 6 appointed contractors, 2 of which have been largely unable to undertake works. Under the new framework terminology will be included to manage this issue and general performance above our standard forms of contract to include:
- The ability to remove contractors from the framework and appoint lower ranked providers at any time during the framework's life. This could be for poor performance or failure to accept a minimum number of jobs through the framework.
  - Performance measures that limit the ability for contractors to accept work where they are delivering repeated poor quality of works.
- 11.2 The new framework will incorporate a pricing model based on the National Housing Federation Framework rates plus a % adjustment for local conditions. This will ensure we have a benchmark for value against the national picture. We will also include a model for pricing ad hoc items that do not / are not easily covered within the framework rates due to the specialist nature of some adaptation works.

- 11.3 The evaluation of the bidder's quality submission will be evaluated for Social Value with up to 10% of the overall score being attributed to their responses.
- 11.4 Within the framework model bidders will be asked to offer a specific amount of labour hours and materials contributed to local community organisations / schools for every £100,000 of work completed under the framework.
- 11.5 Bidders will also be asked to detail specifics around their local employment and training offer to upskill the local workforce.

**Crime & disorder implications:**

- 11.6 There are none anticipated.

**Public health implications:**

- 11.7 The provision of adaptations can not only reduce care costs but also 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.