

11/12/1



# Havering

LONDON BOROUGH

## Notice of executive decision by individual Cabinet member

**THIS IS NOT A KEY DECISION**

<b>Subject Heading:</b>	<b>Stair Lifts Contract</b>
<b>Cabinet Member:</b>	<b>Councillor Lesley Kelly</b>
<b>CMT Lead:</b>	<b>Cynthia Griffin - Group Director Culture and Communities</b>
<b>Report Author and contact details:</b>	<b>Nick Holland – 01708 432785</b>
<b>Policy context:</b>	<p><b>Private Sector Housing Strategy 2010/11 to 2012/13</b></p> <p>This report aims to achieve best value for money for regular items that are required to support elderly people in the community.</p>
<b>Financial summary:</b>	<p>The report sets out a cost effective way of procuring works essential for adapting homes to households where a member of the household has a physical disability.</p>
<b>Forward Plan entry number:</b>	
<b>Relevant OSC:</b>	<b>Town and Communities Overview and Scrutiny Committee</b>
<b>Is this a Strategic Decision?</b>	<b>Yes/No</b>
<b>If it is a Strategic Decision, when should this matter be reviewed?</b>	
<b>Is it an urgent decision? If so, please refer to the note at the end</b>	<b>Yes/No</b>

**The subject matter of this report deals with the following Council Objectives**

## **Member Key Decision**

Clean, safe and green borough	[x]
Excellence in education and learning	[ ]
Opportunities for all through economic, social and cultural activity	[x]
Value and enhance the life of every individual	[x]
High customer satisfaction and a stable council tax	[x]

### **SUMMARY**

The London Borough Of Havering provides disabled facilities grants under Part 1 of the Housing Grants, Construction and Regeneration Act 1996 towards the cost of providing adaptations and facilities to enable a disabled person to continue to live in their home. Under these grants stair lifts are installed by using a number of different suppliers and costs can vary considerably between suppliers. These costs have been compared as part of a value for money exercise to a framework contract currently being used by Essex County Council through Stannah and operated for the last three years to see if savings can be achieved. This report sets out the current arrangements and the savings by using Stannah as the Council's preferred stairlift supplier under the framework contract.

## **Part A**

### **DETAIL OF THE DECISION**

1. Sign up to the Essex County Council supply and service framework agreement agreed with Stannah in 2007 which would be compliant with the Council's procurement framework.
2. The contract is broken into three packages and it is recommended that the Council sign up to the use of work package 3, being the supply of single new or recycled stairlifts with 1-year warranty. This is designed for authorities who prefer to purchase on an ad-hoc basis with additional warranty that suits local purchasing requirements.
3. The contract has been referred the Council's procurement section for scrutiny and they have been in contact with Essex County Council's procurement service and have advised that using Stannah via the Essex County Council framework agreement would be the best route for the Council to take for the purchase of

## Member Key Decision

stairlifts through the Disabled Facilities Grant.

### 1. Background

The Council pays for fixed mechanical equipment such as stairlifts in the homes of eligible disabled applicants following a need being identified through an assessment carried out by an Occupational Therapist. This equipment is funded through a Disabled Facilities Grant (DFG) under the Housing Grants, Construction and Regeneration Act 1996 and subject to means testing.

Under current arrangements the DFG applicant is provided with details of established stairlift providers and they are asked to obtain two quotes for the work, one of which to be from this list. The stairlift supplier is asked to provide a written quote to supply and install including any ancillary work required, and a minimum 12 month guarantee. The company supplying the cheapest quote are instructed to proceed provided it meets the required standard.

Under the current arrangements there are varying costs for both straight and curved stairlifts due to the range of suppliers used which in turn makes budget planning more difficult than if we had a known unit price.

To achieve value for money Essex County Council including fourteen district and Borough Councils looked at achieving Value for Money through the Essex Procurement Agency which considered the total costs of ownership for stairlifts. The collaboration of Local Authorities looked towards securing a supply and service agreement with a single lift company that could give them best value over a 10 year period.

As a result of an EU compliant procurement process through an official OJEU (Official Journal of European Union) framework arranged through the Essex Procurement Agency, Stannah won the Essex EU Framework Contract 1685 which commenced 1<sup>st</sup> July 2007 and will not expire until 30<sup>th</sup> June 2017. The contract is broken into three packages of works to take into account varying Local Authority requirements and contracts still in place:

**Work package 1:** A one off payment which covers the cost of supplying a new or recycled stairlift with associated electrical installation, all covered by a 10 year warranty 24 hours a day, 365 days a year. Straight or curved, the stairlift is manufactured and installed by Stannah. When it is no longer required it is removed, stored and prepared for recycling.

**Work package 2:** A repair and maintenance contract that covers all existing stock, where an authority has all types of lifts from multiple suppliers.

**Work package 3:** A supply of single new or recycled stairlifts with 1 year warranty, this is designed for authorities who prefer to purchase on an ad-hoc basis with additional warranty that suits local purchasing requirements.

### **Member Key Decision**

Current costs for work packages 1 & 3 is as follows:

**Work package 1:** Straight Lift £2135

Curved Lift £4299

**Work package 3:** Straight Lift £1335 (optional extended warranty £103per yr)

Curved Lift £3660 (optional extended warranty £145per yr)

Based on stairlift installations from the DFG budget for 2009/10 average cost for stairlifts were:

Straight Lifts 47 = £108,403 = £2,306 Each

Curved Lifts 19 = £97,996 = £5,157 Each

**Total Cost : £206,399**

Comparative costs by using Stannah's Work Package 3 would be:

**Total Cost : £132,285**

**Total saving £74,114 per annum**

It is therefore clear that by participating in the Essex County/Stannah contract the Council can make a substantial saving and benefit from engaging with a market leader. This savings are particularly important at a time when the Councils DFG budget is under pressure. In line with an ethos of offering choice residents would still have the option of selecting an alternative supplier however the amount of grant the Council would offer would be capped at the level applicable under the Stannah contract. Applicants would still be required to make their own contributions should they be required under means testing legislation.

The Contract itself allows the use of Stannah on an ad hoc basis and there is no obligation on the Council to place any orders at all. In addition, the Council can withdraw from the contract at any time by providing a termination notice giving 30 days notice. The contract will allow for whole life costs and performance will be measured by comparing unit costs against prices prior to the contract being agreed, this KPI allows targets to be set for cost reduction to demonstrate that better value is being achieved.

### **AUTHORITY UNDER WHICH DECISION IS MADE**

Schedule K of the Council's Contract Procedure Rules

**Member Key Decision**

**STATEMENT OF THE REASONS FOR THE DECISION**

This decision is required to improve the procurement of stairlifts through the use of disability facilities grant and to make better use of the funds made available where currently demand exceeds the available budget. By agreeing to sign up to the use of the framework contract the cost of stairlifts is substantially reduced enabling a more effective use of funds available with the potential cost savings resulting in an increased number of grants through the financial year.

**OTHER OPTIONS CONSIDERED AND REJECTED**

The option of not signing up to the framework Contract has been considered. This was rejected, as the use of the supply and install of stairlifts is on an ad-hoc agreement. There is no risk to the Authority in adopting this course of action, whilst at the same time there is the option to make considerable cost savings.

**NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Sue Witherspoon

Designation: Head of Housing and Public Protection

Signature: 

Date: 29/11/11

## **Part B**

### **LEGAL IMPLICATIONS AND RISKS** **None other than as set out in this Decision**

Robin Bloom, Principal Locum Lawyer (Contracts)

### **FINANCIAL IMPLICATIONS AND RISKS**

Disabled Facilities Grants are paid for out of the capital budget - which has £976k available in the current year. The Councils capital budget is tight, with many competing demands; the savings reported here, indicatively indicated at £74k will be beneficial in either increasing the amount of grants that can be paid, or reducing the budget in the medium term.

Conway Mulcahy – Group Finance Manager

### **HUMAN RESOURCES IMPLICATIONS AND RISKS** **(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

Note here the name and job title of the member of staff responsible for advising on the human resources implications of this executive decision.

No HR Implications

Samantha Doggett, HR Business Partner, Culture and Communities

### **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

The provision of grant funding for people with disabilities to support them in living independently supports equality of opportunity for residents in the Borough. There is a risk that demand will be higher than resources available leaving the resultant pressure on social care budgets.

Nick Holland – Private Sector Housing Manager

### **BACKGROUND PAPERS**

Private Sector Housing Strategy

Member Key Decision

**Confirmation of decision**

I confirm that I have made this executive decision, in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Signed



Name: Councillor Lesley Kelly

Portfolio held: Cabinet Member for Housing

Date: 29/11/11

Signed



Name: Councillor Roger Ramsey

Portfolio held: Cabinet Member for Value

Date: 5.12.11

## **Member Key Decision**

### **Lodging this notice**

This notice should be delivered to the proper officer, currently the Democratic Services Manager via Ian Buckmaster, in the Town Hall. A copy of this notice should be retained by the individual Cabinet member making the decision in question.

### **Urgency**

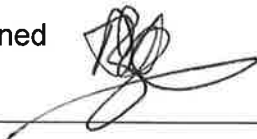
Where the executive decision recorded in this notice has been made in accordance with the special urgency provisions of the Overview & Scrutiny Procedure Rules, a copy of the written agreement obtained under rule 18 must be attached to all copies of this notice.

For use in Democratic Services

I confirm that this notice was lodged with me on

4 DECEMBER 2011

Signed

A handwritten signature in black ink, appearing to be a stylized 'S' or 'J' followed by a flourish.