



Notice of Non-key Executive Decision

Subject Heading:	Approval to join the Plymouth City Council Disabled Facilities Grants (DFGs) Dynamic Purchasing System
Cabinet Member:	Cllr Jason Frost
SLT Lead:	Barbara Nicholls, Director of Adult Services
Report Author and contact details:	Lee Latchford Business Innovation Officer T: 01708 431606 E: lee.latchford@havering.gov.uk
Policy context:	Under the Housing Grants, Construction and Regeneration Act 1996 the Local Authority can provide grant aid to disabled and older people for a range of adaptations to their homes.
Financial summary:	<p>There are no upfront costs associated with joining Plymouth City Council DFG DPS, and no obligation of spending through the framework until Cabinet approval. The final proposal will be put through the required governance routes.</p> <p>Subject to Cabinet approval, the total estimated expenditure over the life of the 7 year use of the DPS is estimated to be £4,182,367, including a management fee of £41,500 which is 1% of the anticipated council spend on DFG's over this seven year period.</p>
Relevant OSC:	Individuals
Is this decision exempt from being called-in?	Yes. It is a non-key decision by a member of staff

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

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The Director of Adult Social Care and Health is recommended to:

- Approve entering an agreement with Independence Brokerage Services CIC (trading as Independence CIC (INCIC)) for Plymouth City Council – the ‘Access Agreement’
- Note that by signing the Access Agreement, this does not oblige the council to ultimately proceed with using the Dynamic Purchasing Framework.
- Note that there are no costs associated with signing the Access Agreement
- Note that the approval to join the framework enables the council to begin working with local suppliers to join the DPS in respect of undertaking future adaptation works
- Note that the final proposals for using the DPS in respect of DFGs, including estimated expenditure, will be taken to Cabinet on 9th June 2021.
- Note that the current local process for residents accessing DFG’s will continue.

AUTHORITY UNDER WHICH DECISION IS MADE

Paragraph 3.3 of the London Borough of Havering Constitution (Powers of Members of the Senior Leadership Team) ‘(Contract powers) authorising members of the SLT to approve commencement of a tendering process for all contracts above a total contract value £500,000.

STATEMENT OF THE REASONS FOR THE DECISION

1. Background

The Council provides home adaptations to support older and disabled residents. The adaptations are means tested and funded by the Disabled Facilities Grant (DFG) now part of the Better Care Fund from central government. Under the Housing Grants, Construction and Regeneration Act 1996 the Local Authority shall provide grant aid to disabled and older people for a range of adaptations to their homes.

The current methodology within Havering requires the Service User (Adults & Children) to be assessed by an Adults Occupational Therapist or Paediatric Occupational Therapist. Once assessed as needing an adaptation the Service User must obtain quotes from suppliers themselves and return these to the Housing Improvement Officer for review and approval.

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Key improvements to the current Havering DFG process::

- Housing Improvement Officer is a single point of failure
- Service User has to manually acquire quotations
- Suppliers are not easily held to the same standards and costings

This OJEU compliant DPS was established in 2018 for a period of up to 10 years and is capable of being used on a regional basis throughout the UK. Several London Boroughs have signed up to use it and others are at discussion stage. The DPS has been divided into categories for each type of work that could be required including bathroom adaptations, ramps, internal and external access equipment, hoisting systems and professional services. INCIC provide pre-qualification, vetting and inspections and ongoing monitoring of providers with access to an electronic software platform to aid in contractor monitoring and ordering of works. To access the DPS providers are required to pass selection criteria. INCIC charge a management fee of 1% of the completed adaptation works total on a monthly basis in arrears. An Access Agreement is required to be signed to allow the Council to access the DPS.

With this solution the service user would no longer be required to obtain their own quotes for work as this would automatically be compiled through the platform.

Any service users which are unable to access online services are supported over the phone by the housing improvement officer or by the Occupational Health teams. Pre COVID, there was the option of in-person visits through the Public Advice and Service Centre (PASC) to support those unable to access emails to complete online forms. However, due to the pandemic, we are currently only able to offer telephone assistance which further complicates the issue of Service User obtained quotations.

This is the only Dynamic Purchasing System known to us, with the only alternatives being traditional, rigid frameworks. These traditional non-DPS Frameworks do not permit providers to join after the framework is established meaning that we would not be able to incorporate our smaller local suppliers.

2. Proposal

This proposal seeks permission to access an existing Dynamic Purchasing System (DPS) which has been in place for the last 3 years. The third party Adaptation DPS set up by Plymouth City Council as the lead Contracting Authority in association with Independence Brokerage Services CIC (trading as Independence CIC (INCIC)) is the proposed solution. There is no expenditure associated with implementing this first stage of the proposal. This stage of the proposal is the only matter for authorisation in this non-key ED.

Once the Access Agreement is signed by the Council, current and local suppliers and tradespersons will be contacted to begin the process of joining the DPS if they wish to do so.

The next stage of implementing the proposal will be Cabinet Approval (9th June 2021), with Cabinet agreement to be sought to move to the next stage of joining the DPS, including the number of suppliers local to Havering who have agreed to join the DPS, and an update on the estimated spend over the remaining life of the DPS (2021-2028)

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3. Tender Timeline

The proposed tender timeline would be as outlined below. If agreed by Cabinet at the next stage of the process (June 2021), it is expected that the DPS will be implemented by the end of July 2021.

Action	Target Date
Consult on Service Specifications with key stakeholders - COMPLETED	02/2021
Checkpoint 1 Report Finalised - COMPLETED	03/2021
Checkpoint 1 Report Shared with Virtual Panel - COMPLETED	04/2021
Non-Key ED signed off by SLT Lead	04/2021
Key Decision Approving to go-live and Call offs	06/2021
System Implementation	07/2021
Provider on boarding	08/21 - 09/21

4. Costs

There are no up-front setup costs involved in accessing the DPS.

There is a 1% management fee paid to INCIC for all works procured. The management fee represents good value for money: £41,500 on the current total projected spend over 7 years. This cost is payable out of the BCF grant funding pool, and is based on expenditure that goes through the DPS itself. Until spend is going through the DPS, there is no cost to the council.

The cost of the management fee is estimated as 1% of the total anticipated spend over the next seven years and has been calculated as follows:

- In 2018/19 the spend against DFG was £563,780.47, and in 2019/20 the spend was £619,349.35.
- Using an average of both years, it is estimated that the spend through the DPS (excl. management fee) would average at £591,564.91 per year with an average cost of £7,000 per grant.
- Expanding this out over 7 years gives an estimated throughput of £4,150,000.

Existing cost centre is C35200.

OTHER OPTIONS CONSIDERED AND REJECTED

Option 1: Do Nothing

The current DFG process requires a transformation as pre-pandemic remained primarily paper based because of the large volume of documents that required review and monitoring by the Housing Improvement Officer. This included requiring the Service User to seek three or more quotations for works causes undue stress and

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delays. The Housing Improvement officer cannot continue, within the new post COVID-19 situation, to utilise manual paper-based methods, and joining the proposed DPS would enable a better experience for residents

Doing nothing or procuring on an ad hoc basis is not a recommended option given the current COVID-19 reliance on digital operation.

Option 2: Join an existing Framework Agreement (Non-DPS / Traditional Framework)

The Council could join one of a number of existing frameworks for such works that have been established by third party framework providers. This could be put in place within a relatively short timescale following SLT Member approval. The majority of leading providers feature in these frameworks although there is little representation from smaller, local providers. There are recognised benefits in the use of frameworks; however there are important limitations in terms of choice and compliance. Regular frameworks do not offer a mechanism for replacing or introducing new suppliers or contractors and can be limiting when additional needs or opportunities are presented.

This option is not viable due to the nature of a traditional non-DPS framework. Non-DPS frameworks are inflexible once established and prevent additional suppliers from joining throughout the entire life of the framework.

Option 3: Establish the Council's own Framework Agreement

The Council could establish its own aids and adaptations. This would allow the Council to set its own requirements and establish a pool of providers for a period of up to four years. However, it is estimated that this could take a minimum of twelve months to establish and incur costs in terms of officer's time to undertake the procurement. Also, if this were to be operated as a DPS, there would be an ongoing time cost for commissioning & procurement. If not, we would have no opportunity to add new providers throughout the life of the framework.

This option is not viable as the timescale and cost when weighed against the benefits do not provide a worthwhile investment when compared with the recommended option.

PRE-DECISION CONSULTATION

Internal and external stakeholders have been consulted. This includes the Housing Improvement Officer and Professional Practice Lead OT for Adult Social Care in Havering.

A checkpoint report has been approved by Procurement Panel.

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

Name: John Green

Designation: Head of Joint Commissioning

Signature:



Date: 6.5.21

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

Under the Housing Grants, Construction and Regeneration Act 1996 the Local Authority can provide grant aid to disabled and older people for a range of adaptations to their homes subject to conditions. The Act enables the Council to also pay suppliers directly. The Council has a general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do subject to any statutory limitations. The Council has the power under this section to agree to the proposals in the recommendations.

This report seeks approval to access the existing Plymouth City Council Disabled Facilities Grants Dynamic Purchasing System.

The procurement also must comply the Council's Contract Procedure Rules (CPR).

FINANCIAL IMPLICATIONS AND RISKS

There is no financial expenditure arising from this non-key ED. There is no cost associated with signing the Access Agreement and no obligation to proceed with the DPS, should the council decide not to do so.

Should the council decide to proceed, a proposal to do so will be taken through the appropriate governance processes. Cabinet will be asked to note the below, in terms of the projected expenditure for the life of the DPS.

The adaptations for LBH is funded through capital via the Disabled Facilities Grant (DFG), which is now part of the Better Care Fund.

The total allocation for the DFG for 2020/21 was £2.056m, however this allocation also pays for the community equipment contract.

The spend for the last two years on adaptations is as follows:

2018/19	2019/20
£	£
563,780	691,349

Based on an average of these two figures, assuming the same level of adaptations continues the average cost per annum would be in the region of £591,565, giving an average spend over the life of the contract of approximately £4,140,955 on adaptations.

These costs should remain relatively constant and savings could potentially materialise from using the new system.

The additional cost is the 1% admin fee that will be payable. These are estimated to be in the region of £5,916 per year but will vary dependent on the amount of works procured

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and these can also be funded via the capital DFG funding. The total admin cost payable over the life of the contract assuming the level of adaptations stays relatively constant will be in the region of £41,410.

The total annual expenditure for adaptations inclusive of the 1% admin costs is estimated to be in the region of £597,481 but this could vary based on applications received. The total estimated expenditure over the life of the 7 year contract is estimated to be £4,182,367. The overall expenditure will be contained within the DFG spending grant.

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

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would directly or indirectly affect either the Council or its workforce.

There are no TUPE implications associated with this decision.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

The successful provider will be required to monitor compliance on equality and diversity as defined in the Equality Act 2010.

BACKGROUND PAPERS

None

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Part C – Record of decision

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.

Decision

Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed



Name: **Barbara Nicholls**

Cabinet Portfolio held:

CMT Member title: **Director of Adult Social Care & Health**

Head of Service title

Other manager title:

Date: 6th May 2021

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

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Signed _____