

Notice of KEY Executive Decision

Subject Heading:	Decision to Award through the Disabled Facilities Grants INCIC 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:	The estimated contract value for the full contract term (7 years) including extensions is £4,191,500. Existing grant spend is approx.
Reason decision is Key	(a) Expenditure or saving (including anticipated income) of £500,000 or more
Date notice given of intended decision:	28 th April 2021
Relevant OSC:	Individuals
Is it an urgent decision?	N/A
Is this decision exempt from being called-in?	No.

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

Key Executive Decision

Places making Havering

[]

Opportunities making Havering

[]

Connections making Havering

[]

Key Executive Decision

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons set out in this Key Decision, it is recommended that the member of SLT agree to the use of the INCIC framework (Independence Brokerage Services CIC trading as Independence CIC) permitting procurement using mini-competitions throughout the lifetime of the contract.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3: Responsibility for Functions

Para 3.3 Powers of Members of the Senior Leadership Team:

Contract powers

(b) To award all contracts with a total contract value of between £500,000 and £5,000,000 other than contracts covered by Contract procedure Rule 16.3.

STATEMENT OF THE REASONS FOR THE DECISION

A prior non-key ED was submitted and approved on the 6th May 2021 for the signing of an access agreement between the Council and the framework provider. This agreement allows us to access the framework and system, however a key ED was required to permit the commencement of procurement and award of mini-competitions at officer level.

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.

A non-key ED has been approved allowing the council to sign an access agreement to access the INCIC (Independence Brokerage Services CIC trading as Independence CIC) DFG DPS (Dynamic Purchasing System) framework.

Now that the council can access the DFG DPS for INCIC, we seek approval to conduct mini-competitions and award through the framework.

2. Proposal

Key Executive Decision

The proposal is to give approval to allow officers to conduct and award mini-competitions through the framework.

As part of the recommended option, the council is able to procure from various so-called 'lots' which encompass the various areas of common works. Initially, we propose that the following 'lots' be utilised;

- LOT 1 – Bathroom adaptations and associated building works.
- LOT 8 – Ramps, paths and hardstanding including handrails.
- LOT 9 – Stair lifts (internal and external).
- LOT 11 – External mechanical access lifts (e.g. step lifts).

These were decided through consultation on the project board and are based on the current most common works that are commissioned. The intention is that we utilise the aforementioned lots as a foundation to begin testing and utilising the framework.

Having joined the framework the council is permitted to use the other lots, should it wish to do so and it is open for officers to consider the suitability for future needs arising and make appropriate call-offs. The other lots include;

- LOT 2 – Bathroom adaptations and associated building works including design.
- LOT 3 – Provision and installation of shower and or bathroom cubical
- LOT 4 – Hoists
- LOT 5 – Kitchen adaptations and associated building works.
- LOT 6 – Kitchen adaptations and associated building works including design.
- LOT 7 – Minor building works
- LOT 10 – Through floor lifts (internal)
- LOT 12 – Disabled living equipment (e.g. raised w/c seats, bath lifts etc.)
- LOT 13 – Disabled living equipment requirements/assessment.
- LOT 14 – Assistive technology services.
- LOT 15 – Door openers and entry systems.
- LOT 16 – Major adaptations extensions, conversions.
- LOT 17 – Home repair and maintenance including handyman service.
- LOT 18 – Disabled living home design services.
- LOT 19 – Occupational therapy and trusted assessors services.
- LOT 20 – Case management service.

The day-to-day awarding of contracts and management would be handled by the existing Housing Improvement Officer as a modernisation of their existing function.

3. Tender Timeline

The proposed tender timeline would be as outlined below. 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 - COMPLETED	04/2021
Access agreement countersigned and in place	05/2021

Key Executive Decision

Provider on boarding (this is ongoing and conducted by the supplier)	06/21 - 08/21
Key Decision Approving award	06/2021
System Implementation	07/2021

4. Costs

Existing cost centre is C35200. 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, we estimate 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.

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.

A future intention of this programme of work is that we allow better access to the DFG offering as this is currently underutilised when compared with neighbouring boroughs. Once again, this is grant funding that is specifically ring fenced to Disability Adaptations.

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 which causes undue stress and delays. The Housing Improvement officer cannot continue, post COVID-19, 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

Key Executive Decision

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 non-key ED has been signed off to permit signing of an access agreement to allow the council to access the INCIC framework. The non-key ED was also reviewed at the relevant theme board.

A checkpoint report has been approved by Procurement Panel.

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

Name: John Green

Designation: Head of Joint Commissioning

Signature:

Date:

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 utilise an existing Dynamic Purchasing System to run call offs in order to make the necessary adaptations to homes for Havering residents who fall within the grant aid criterion. The value of the proposed contract is £4,150,000 over 7 years. Compliance with the Public Contracts Regulations 2015 (as amended) is satisfied through the use of existing DPS under Regulation 34 and as such meets the Council's Contract Procedure Rules (CPR).

FINANCIAL IMPLICATIONS AND RISKS

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 allocation for 2021/22 is assumed to be the same amount but this will not be confirmed until the BCF guidance for 2021/22 is released.

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 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.

Key Executive Decision

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. These costs can currently be fully met within the DFG grant allocation.

For future years, there is also a risk that the DFG grant ceases which would essentially mean the programme of grants ends so there would be no financial implications arising from this. However, if the programme of grants was to continue then alternative funding arrangements would need to be found to meet the costs of any adaptations and the admin costs. There is also a risk that future years' DFG Grant allocations may not be sufficient to meet the costs of the adaptations and the admin fee, if this materialises then the grants programme may need to be reduced to the revised grant sum. The contractual arrangements should enable this change.

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.

Key Executive Decision

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

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

This Disabled Facilities Grants Dynamic Purchasing System (DPS) will have a positive impact on the health and well-being of people with housing adaptation needs. By allowing choice and competition to meet a service user's requirements, it will improve access to high-quality housing adaptations and reduce health inequalities related to vulnerable residents. We are also removing the reliance on the Service User for requesting and comparing quotations from suppliers. This reduced reliance will greatly relieve stress and required effort on their part.

Through the DPS, the Council can ensure that each grant works commissioned will deliver skilled works that achieve the assessed needs of the service user. Improving health and well-being will be the primary purpose of each adaptation.

This new methodology opens up the potential to use grant funding for additional Service Users due to the reduction in required per-case staff resource, due to the movement to a digitised system.

BACKGROUND PAPERS

Procurement Checkpoint Report – *Appendix 1*

Key Executive Decision

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:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

Lodging this notice

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

For use by Committee Administration

This notice was lodged with me on _____

Signed _____