

Subject:	Housing Adaptations Framework Re-Let		
Date of Meeting:	18 January 2017		
Report of:	Executive Director Neighbourhoods, Communities and Housing		
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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 procure a new framework agreement for the provision of housing adaptations for disabled people in council properties and private sector dwellings
- 1.2 The Housing Adaptation Service completed a total of 388 major adaptations in 2015/16.
- 1.3 In addition to delivering housing adaptations the Housing Adaptations Service, an integrated team of housing occupational therapists and technical officers, work with housing teams to commission new affordable accessible homes and to make the best use of the existing adapted and accessible council homes. Research suggests the investment in timely adaptations can support people to remain independent in their own homes – reducing or delaying the need for care and support and improving the quality of life of residents
- 1.4 The intention is for the proposed framework agreement to:
 - Deliver value for money through a competitively procured schedule of rates, with scope for good economies of scale;
 - Provide six specialist adaptations contractors to allow for a responsive service with good capacity;
 - Ensure consistency and continuity over the term of the agreement;
 - Allow for contractors to be assessed on quality as well as cost to ensure a high standard of work and customer service; and
 - Ensure delivery of housing adaptations in the shortest possible time, avoiding lengthy individual tenders.

2. RECOMMENDATIONS:

That Housing & New Homes 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 Authorises the Executive Director for Neighbourhoods, Communities and Housing:
- (i) to carry out the procurement of the framework agreement referred to in 2.1 above including the award and letting of that framework agreement;
 - (ii) to approve the extension to the framework agreement referred to in 2.1 above, if required, dependent on satisfactory performance.
 - (iii) to award any call-off contracts under the framework agreement referred to in 2.1 above should he/she consider it appropriate at the relevant time.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Currently, major adaptations in council homes are ordered and managed directly with framework contractors who have a place on the council's existing framework agreement by staff in the Housing Adaptation Service. Call off contracts are allocated to the supplier with the lowest cost for each job until that supplier reaches capacity, then the next cheapest will be selected, and so on. Call off contracts normally last from 4 -10 weeks. The Housing Revenue Account (HRA) funds major and some minor adaptations in council homes. In 2015/16 the HRA invested £1.067m including the delivery of 258 major adaptations (i.e. those costing over £1000) through the current framework agreement.
- 3.2 The Housing Adaptations Service is an integrated team of occupational therapists and technical staff. This promotes good communication and improves outcomes. The team also works proactively with colleagues across Housing to:
- Advise on accessibility of new build projects
 - Advise on redevelopment of sheltered scheme studios to 1 bed flats
 - Advise when appropriate to install accessible bathrooms in voids
 - Accompany lettings staff on Homemove viewings to ensure new properties will be suitable for tenant.
 - Make best use of the existing adapted and accessible social housing stock through the accessible housing register
 - Promote housing options as alternative to major adaptations
 - Advise in the improvement of access to blocks
 - Liaise with Homemove staff to consider housing options where proposed works exceed £0.010m.
- 3.3 The council's current framework agreement for the provision of housing adaptations for disabled people was let in October 2013. The option of a one year extension was taken up in October 2016, so that this current framework agreement will end in October 2017.
- 3.4 After the initial term, a reduction of cost was negotiated by officers with the contractors on the existing framework agreement for the one year extension on some of the most frequently ordered items on the schedule of rates. This will

represent a saving of approximately £0.020m for the Housing Revenue Account (HRA) during the extension period and a similar amount for grant assisted adaptations in the private sector.

- 3.5 The current framework agreement is primarily used to procure the delivery of adaptations in council homes and allows third party access for DFG applicants up to a limited value of £0.650m.
- 3.6 Local authorities have a statutory duty under the 1996 Housing Grants, Construction & Regeneration Act to administer the Disabled Facilities Grant (DFG), a mandatory housing grant available to disabled people, subject to a means test. 180 DFG assisted major adaptations were completed in private sector properties in 2015/16 (adaptations in council properties are funded through an equitable scheme from HRA monies).
- 3.7 Support with the DFG application process and technical issues is provided through a partner Home Improvement Agency (HIA), currently Mears Home Improvement Ltd. Grant applications and approvals are administered by the Housing Adaptations Service. For 2016/17, the current capital budget for Disabled Facilities Grant adaptations is £1.125m. This is held within Housing General Fund.
- 3.8 The partner HIA has third party access to the current framework agreement prices, on behalf of DFG applicants. This was introduced for the first time under the current framework agreement, jobs having previously been individually tendered. This has resulted in savings of approximately 20% and has speeded up delivery, reducing the time to grant approval significantly (currently an average of 9 weeks from occupational therapist's recommendation to grant approval).
- 3.9 Timely adaptations can keep people independent and safe in their homes for longer, avoiding expensive care and hospital costs. The cost benefit of timely adaptations is well documented nationally. The Audit Commission (2009) 'Building Better Lives – getting the best from strategic housing' found that spending between £2,000 and £20,000 on adaptations that enable an elderly person to remain in their own home can save £6,000 per year in care costs

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

The following options have been considered:

- 4.1 Do nothing – let the current framework agreement lapse. While DFG applicants could fall back on the previous methods of procurement, though with higher cost and additional delays, continued provision of adaptations in council properties would still be necessary. This would mean tendering every job (in order to comply with the council's contract standing orders) which would make the process slower and more expensive and quality would be harder to manage. Benefits of economies of scale would be lost.

- 4.2 Provision of works through existing council contracts. There are no other council contractors that can provide or have experience of the specialist adaptations that are required.
- 4.3 Join an existing adaptations framework with other public sector bodies. Yorkshire Purchasing Organisation (YPO) has a disabled adaptations framework agreement, for example. While this option might be efficient in terms of staff time in the procurement process there are the following disadvantages if joining an existing framework:
- it may provide a wider range of services than the council requires;
 - it may increase subcontracting as suppliers on a framework may not have a local presence or have all required capabilities;
 - it may prevent the council being able to determine its own contract terms as they are already prescribed in the framework structure (i.e. local engagement, apprenticeships);
 - it may not allow third party access for the council's HIA partner for DFG work.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 A representative of the Housing Adaptations Service attends the Tenant's Disability Network (TDN) and the team are therefore able to continually respond to feedback and concerns raised.
- 5.2 A member of TDN will be invited to join the assessment panel evaluating the tenders received for the new framework agreement.
- 5.3 Customer satisfaction data is sought after all works are completed under the existing framework agreement. This feedback will inform revisions of the specification for the new framework agreement.

6. CONCLUSION

- 6.1 Current arrangements using the council's framework agreement for the provision of housing adaptations are providing adaptations to a high standard and competitive cost and have improved delivery times for the client. While some minor refinements to the existing terms are planned, the success of the council's current framework agreement for the provision of housing adaptations suggests that the procurement of a revised and updated framework agreement for the provision of disabled adaptations is the most appropriate course of action.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 This report recommends that the council procures a new three year adaptations framework agreement for the delivery of adaptations to council and private sector homes. The estimated size of this contract over a three year period is £5.1m. This procurement exercise will help to ensure good value for money is obtained through a competitive schedule of rates. Evidence suggests that the current framework has worked well, with extra savings being delivered once the partner HIA had third party access to the framework agreement prices, on behalf of DFG applicants. For 2016/17, the capital budget for adaptations to council homes (HRA) is £1.150m and there is a further capital budget held within the general fund for disabled facilities grant funded adaptations of £1.125m. Not all of the adaptations expenditure is spent through the framework agreement, for example lifts and hoists are tendered for separately.

Finance Officer Consulted: Name: Monica Brooks Date: 05/01/17

Legal Implications:

- 7.2 The council's contract standing orders require that authority to enter into a contract valued at £500,000 or more be obtained from the relevant committee before inviting expressions of interest from potential bidders which in this instance is Housing and New Homes Committee.
- 7.3 The procurement of the proposed framework agreement must comply with all relevant European and UK public procurement legislation as well as the council's contract standing orders.
- 7.4 The Housing and New Homes Committee is authorised to exercise the council's powers both as a landlord and in relation to housing grants. It is therefore within its powers to approve the recommendations at section 2 above.
- 7.5 As indicated in paragraph 3.6, the Housing Grants, Construction and Regeneration Act 1996 imposes a duty on the council to administer Disabled Facilities Grants in its area. Approval of such grants is mandatory where the proposed work is necessary and appropriate to meet a disabled person's needs, and the work is reasonable and practicable. The grant is means tested.
- 7.6 Under section 8 of the Housing Act 1985, every local housing authority must consider housing conditions in their district and the needs of the district with respect to the provision of further housing accommodation. In discharging that duty, Section 3 of the Chronically Sick and Disabled Persons Act 1970 requires the authority to have regard to the special needs of chronically sick or disabled persons. Making arrangements to facilitate disabled adaptations in council properties is compatible with that duty.

Lawyer Consulted: Name Liz Woodley Date: 06/01/2017

Equalities Implications:

- 7.7 The nature of housing adaptations is to promote the equality of disabled people and empower them to be as independent as possible within their own home and to be able to access the local community.
- 7.8 Provision is made in the specification to ensure communication with residents is appropriate to their needs.

Sustainability Implications:

- 7.9 Timely provision of adaptations allows disabled people to maintain their independence and contributes towards the council's vision for sustainable communities.
- 7.10 Every effort is made to source sustainable and recycled materials and close attention will be paid to contractor working practices during the evaluation process

Any Other Significant Implications:

None

SUPPORTING DOCUMENTATION

Appendices:

- 1. Standard appendix

Documents in Members' Rooms

- 1. None

Background Documents

- 1. None

Crime & Disorder Implications:

- 1.1 None identified

Risk and Opportunity Management Implications:

- 1.2 Construction work does include inherent risks however the Housing Adaptation Service carries out its duties under HSE Construction (Design and Management) regulations.
- 1.3 Health and Safety is a standing item on all contractor review meeting agendas.

Public Health Implications:

- 1.4 As noted in 3.9 of main report, timely adaptations can avoid falls leading to serious injuries and can avert or slow deteriorations in long-term health conditions. They also improve independence which promotes wellbeing.
- 1.5 DFG funding is allocated from central government to the Better Care Board which sets budgets. The Housing Adaptations Service is represented on this group and works collaboratively towards keeping people well and improving Better Care Integrated Outcomes.

Corporate / Citywide Implications:

- 1.6 Economy, jobs and homes. Work going to local firms will stimulate the local economy and create jobs. Investment will make local housing stock more accessible.
- 1.7 Children and young people. The framework will be used to provide adaptations for children and young adults.
- 1.8 Health and wellbeing. There are obvious benefits, as described in main report section 3.9 and above in public health implications.
- 1.9 Community safety and resilience. Some adaptations are carried out in the common parts of a building or to improve access to a block which benefits all residents. Ability to access community following access adaptation contributes towards community resilience.
- 1.10 Environmental sustainability. Environmentally sustainable products are used wherever possible. Contractors are scored on sustainability.

