

Report of the Strategic Director of Place to the meeting of the Health and Social Care Overview and Scrutiny Committee to be held on 23 November 2023

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Subject:

Procurement of Disabled Facilities Adaptation Framework

Summary statement:

This is a report provided for information to advise members of the forthcoming procurement of a framework agreement with a value, in excess of £2 million.

Bradford Council's Adaptation Team within the Department of Place (Housing Service) currently utilises a framework agreement for the delivery of major disabled adaptation work through the Council's Agency Service.

The current framework agreement has been in place since 1 April 2020 and is due to expire on 31st March 2024.

EQUALITY & DIVERSITY:

This report relates to the procurement process rather than the individuals who will benefit from the works carried out. Equalities have been considered and the conclusion is that it has no impact to protected characteristic groups.

The improvement of housing conditions in the District for people with disabilities will have a positive impact on those groups and individuals who suffer multiple disadvantages associated with their housing conditions.

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Overview & Scrutiny Area:

Health and Social Care

1. SUMMARY

- 1.1 This is a report provided for information to advise members of the forthcoming procurement of a framework agreement with a value, in excess of £2 million.
- 1.2 Bradford Council's Adaptations Team within the Department of Place (Housing Service) currently utilises a framework agreement for the delivery of major disabled adaptation work through the Council's Agency Service.
- 1.3 The current framework has been in place since 1st April 2020 and is due to expire on 31st March 2024. Procurement of a replacement framework is required to ensure the delivery of adaptations and to comply with Procurement Legislation and Contract Standing Orders.

2. BACKGROUND

- 2.1 The Council Plan – Priorities and Principles 2021-2025 identifies seven priority outcomes. The Decent Homes priority outcome sets out an ambition for everyone to have a comfortable home which meets their needs and helps them lead fulfilling lives. This includes supporting residents to live independently and ensuring that elderly and vulnerable people can access specialist housing that meets their needs. The Better Health, Better Lives priority outcomes also focuses on supporting people to lead long, happy and productive lives and supporting vulnerable children and adults to remain safe and secure.
- 2.2 The principal strategy for health and wellbeing is the "Connecting people and place for better health and wellbeing - A Joint Health and Wellbeing Strategy for Bradford and Airedale, 2018-2023". The focus of the strategy is to create a sustainable health and care economy that supports people to be healthy, well and independent, subsequently summarised as ensuring people are happy, healthy and at home. The provision of major adaptations using Disabled Facilities Grants which enable disabled people, their families and carers to retain independence whilst remaining in their own homes clearly contributes to this vision.
- 2.3 Under the *Housing Grants, Construction and Regeneration Act 1996* the Authority has a statutory duty to deliver Disabled Facilities Grants (DFG). The current maximum mandatory grant is £30,000.
- 2.4 Since 2015/16 government funding for Disabled Facilities Grants has been incorporated into the Better Care Fund (BCF) but continues to be paid directly to the Council as an annual government fund grant for Disabled Facilities Grants. The DFG Grant is a fully audited allocation. Disabled Facilities Grants are funded through annual government funding.
- 2.5 Since 2020-21 Bradford has received an annual government funding allocation of £5,137,133, per year. In 2023-24, the authority has received an initial allocation of £5,137,133 and an additional in year allocation of £448,266, which was received in September 2023. All local authorities received the additional in year allocation. The total allocation in Bradford for 2023-24 is £5,585,399.

- 2.6 Government guidance to the DFG legislation* has identified that it is good practise for local authorities to provide an agency service to offer practical help with building works for vulnerable clients (whether homeowners or tenants). In particular, the guidance explains that delivery through agency services can enable a better service to applicants and allow the authority to better control standards of work and regulatory compliance, as part of a regular monitoring and vetting process.
(*Disabled Facilities Grant (DFG) delivery: Guidance for Local Authorities in England, Department for Levelling Up, Housing & Communities/Department of Health & Social Care, published March 2022).
- 2.7 The Council's Housing Service provides an in-house Agency Service to DFG applicants which completes the necessary paperwork for clients, organises the adaptation works and oversees the on-site contract management of the works. Housing Technical Officers co-ordinate and project manage this service, but the delivery of construction works is procured.
- 2.8 In the majority of cases grant applicants choose to use the in-house Agency Service to organise and deliver the works for them (approximately 80%).
- 2.9 The report is principally concerned with the procurement of the framework of contractors that are appointed to carry out the adaptation works overseen by the Agency Service.
- 2.10 Bradford has an increasing older population. From 2011 to 2021, the number of people aged 65+ has grown by 20% and the number of people aged 85+ has grown by 13%. It is useful to compare the percentage increase with the rest of the population. From 2011 to 2021 the total population of the Bradford District grew by 5% (Office for National Statistics, Mid-year Population Estimates 2012- 2022).

The most recent population projections published by the Office for National Statistics (ONS) in 2020 use 2018 population estimates as a basis for their calculations. These show that by 2025 the 65+ population will have grown by 13% and the 85+ population will have grown by 11%. By 2030 the 65+ population will have grown by 24% and the 85+ population will have grown by 17%. By 2035 the 65+ will have increased by 34% and the 85+ population will have grown by 47%. The total population is projected to grow by 2% by 2025, 3% by 2030 and 4% by 2035.

The 2021 census asked people whether illness or disability limited their day-to-day activities 'a little' or 'a lot' or not at all. 18% of people aged 65 plus said that they felt that their day-to-day activities were limited 'a little' and 18% felt that their day-to-day activities were limited 'a lot'. 22% of people aged 85+ said that they felt their activities were limited 'a little' and 33% felt that their day-to-day activities were limited 'a lot'. This compares unfavourably with the general population, 9% said that their activities were limited 'a little' and 8% said their activities were limited 'a lot.'

- 2.11 Bradford has continued to see a high level of demand for DFG in recent years. Although there was a dip in referrals during Covid the demand now exceeds pre-Covid levels. At the time of the last report to committee in 2019, Housing was receiving an average of 46 new referrals per month. During 2022-23 the average number of referrals received per month was 48. However, over the first six months of 2023-24 we have seen an increase, with an average of 63 new cases per month

- being referred to Housing from Occupational Therapy. We are expecting this average to increase further/significantly as increased resources are being applied in Occupational Therapy to complete assessments, meaning that Housing is receiving more DFG referrals.
- 2.12 Over the years we have seen an increase in the complexity of cases referred by Occupational Therapy, meaning that the adaptations required are more complex and cost more. Due to medical advances, individuals with complex health conditions are living longer and being supported to live at home. Meaning that much more complex adaptations are required.
- 2.13 We are also seeing an increase in the number of referrals where adaptations are required for two, or even three disabled people in the same household. This is partly due to multi-generations living in the same household, whereby there may be an elderly relative who requires access to facilities, but also a younger member of the household who also requires adaptations. This is also due to the incidence of hereditary conditions, meaning that we can have siblings/relatives living in a household who each have the same condition requiring adaptations.
- 2.14 Over the last ten years we have also seen an increase in the number of referrals for safety works for children and young people. This is usually for clients with neurodivergence and the increase in referrals is due to an increased recognition and diagnosis of these conditions.
- 2.15 In the light of the continued high level of demand for major adaptations, limited staff resources and limited availability of public funds, there remains pressure to ensure that we use those resources effectively. By re-tendering the Council can maximise opportunities to ensure quality and value for money. By competing on price and quality it is not just a means of saving on costs, but the Council seeks to maintain/raise quality standards.
- 2.16 Research shows that investing in major adaptations as a preventative measure improves outcomes for individuals and provides considerable efficiency savings, for example: Increased safety and reduced hospitalisation of elderly/disabled clients; reduced need for publicly funded care home provision; reduced need for social care provision. In addition, there are substantial well-being benefits to clients through their being able to maintain their independence, confidence, autonomy, retained dignity and family/community relationships. This is in line with the Council's 'Home First' vision and the ambition in the Joint Health and Wellbeing Strategy for people to remain independent and able to live at home and in their communities for as long as they wish.
- 2.17 "Prevention" is a guiding principle enshrined within the Care Act 2014 which aims to improve people's independence and well-being. The Care Act establishes a statutory duty on local authorities to provide or arrange services that help prevent people in their area developing needs for care and support or delay people deteriorating such that they would need ongoing care and support.

3. REPORT ISSUES

- 3.1 Bradford Council utilises a framework agreement for the delivery of disabled adaptation works through the Agency Service. The current framework agreement has

been in place since 1 April 2020 and is due for renewal at the end of March 2024.

- 3.2 The framework is used to deliver disabled adaptations for those clients who have signed up to use the agency service. The role of the contractor is to carry out the construction works, as specified by the Council Officer.

Typical works include: removing baths and installing level access showers; constructing level access ramps/shallow steps; widening door openings; installing specialist equipment, such as wash dry WCs, shower/changing stretchers and high low baths; installation of accessible kitchen facilities; safety works, safety fencing and safe play areas. (The construction of extensions is not covered by this framework).

- 3.3 The Council has had a framework agreement for the delivery of adaptation works in place since 2004. Lessons learnt through the project management of the frameworks have been incorporated in progressive tenders.

- 3.4 The current framework (2020-2024) consists of eight contractors with the top four scoring contractors (based on cost/quality scores) receiving the orders on a rotational basis. The four reserve contractors can then be called upon to fulfil the absence of one of the four main contractors, in the event of any unforeseen circumstances. Every twelve months all eight contractors are required to re-submit their pricing information, so that the Council can re-evaluate and re-score the contractors. This means that the four top scoring contractors who receive the orders in each year, can change from year to year.

- 3.5 A framework of eight contractors (where the top scoring four contractors receive the work orders for that year) enables the Council to manage risk. This means that if one contractor goes into administration or other unforeseen circumstances arise, then the Council can quickly mobilise one of the other contractors to pick up the cases and complete adaptations. We have experience of this happening on a previous framework and we were able to put contingency measures in place with minimum disruption to clients and officer time (staff resources). There is also the provision in the framework to give orders to the fifth contractor on the framework, should the volume of orders warrant it.

- 3.6 The advantage of requiring the contractors to re-submit their most competitive tender prices every twelve months ensures the Council achieves value for money.

- 3.7 The quality / price split for the evaluation of the current tender is 70% price / 30% quality, in order to achieve maximum value for money.

- 3.8 Other advantages of a framework agreement of four contractors are as follows:

- Creates a schedule of rates for each contractor. This speeds up the process significantly as there is no need to individually tender each job.
- We are able to build up working relationships with the contractors, which has in the past enabled us to: trial new products to save money or make changes to systems/ processes to streamline delivery.
- Contractors are required to liaise with lift and specialist equipment companies to co-ordinate their work with the installation of lifts and to order/arrange the installation of specialist equipment. The framework arrangement allows the

contractors to create links and build relationships with these companies to improve efficiencies and service to the clients.

- The framework arrangement provides us with the flexibility to respond to increased numbers of work orders, as the number of referrals for DFG has increased. There is also the provision in the framework to give orders to the fourth contractor on the framework should the volume of orders warrant it.

- 3.9 The Agency service generates income for the Council to subsidise the revenue costs of delivering the service.
- 3.10 The length of the framework agreement is three years, with the option to extend for one year.
- 3.11 Based on the uptake of the agency service over the life of the current framework agreement, to date (1 April 2020 to 30 September 2023), the total framework spend for all the framework contractors is £5.59M

However, the number of new referrals received and adaptations delivered was significantly reduced during the Covid pandemic, which occurred during this period. Following the Covid pandemic there has also been a significant increase in the cost of materials and labour. The spend for the period 1 October 2022 to 30 September 2023, is £2.49M.

Based on the spend (period 1 October 2022 to 30 September 2023) through the framework of £2.49M and factoring in the increased number of new DFG referrals over the last six months, the new framework is estimated to be worth £2.6M per annum over a three year framework period (£7.8M over 3 years) not including the optional one year extension period.

This is subject to capital funding being available in subsequent years and the uptake of the agency service by user.

- 3.12 The proportion of clients choosing to use the agency service increased significantly in 2007 following a process improvement exercise. Pre-2007 the uptake was 38% of client using the agency, the level of uptake increased and has remained at a fairly static level since that time, around 80%. In the majority of cases grant applicants choose to use the in-house Agency Service to organise and deliver the works for them, in 2022-23 the uptake was 80%. The figure for the first five months of 2023-24 (1 April 2023 to 31 August 2023) the figure has risen to 91%.
- 3.13 The value of the framework is dependent on the number of clients choosing to use the agency service. It is written into the framework agreement documentation that the volume of orders to contractors is subject to funding being available and uptake of the service by clients. Work will be allocated to the four contractors on a strictly rotational basis and not on contract value.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 This framework is to provide a framework of four contractors to carry out disabled facilities grant works on behalf of the Council, for grant applicants who have chosen to use the Council's in-house Agency Service to organise the delivery of the works

for them.

This arrangement significantly reduces the amount of time required to identify and procure a contractor on an individual case basis. This enables Housing to deliver the DFG programme in a more timely manner and reduces the risk of losing funding if we do not utilise the grant allocation in year.

The framework provides a schedule of rates for each of the contractors. This prevents the need to go out to individual tender, thus reducing processing times.

Improvements to the overall process and reductions in costs through smarter procurement have meant that the Council has been able to deal with more clients, using the same budget but in a shorter time.

- 4.2 The staffing resources that are required to performance manage and oversee the contract delivery, as well as overseeing the day-to-day management of the works (ie. quality of works, compliance with deadlines, etc) are already provided for within the Housing Service.
- 4.3 The volume of work allocated to contractors will depend on the number of Disabled Facilities Grant (DFG) referrals received from Occupational Therapy and the uptake of the Agency Service by service users.
- 4.4 Government funding for the DFG is incorporated into the Better Care Fund (BCF). In 2022-23, the Council received a total allocation of £5,137,133. The Council has received a total allocation of £5,585,399 in 2023-24. This comprises of an initial allocation of £5,137,133 and an additional allocation of £448,266 which was received in September 2023.
- 4.5 The time taken to deliver a DFG can vary depending on the complexity of the adaptations. The process can take time for adaptations which are highly complex. Statute dictates that once approved, the grant applicant has 12 months to carry out the eligible works, so it is necessary to retain funding to honour the commitment.
- 4.6 The Council has also made corporate capital resources available in the corporate capital programme should the government grant be insufficient to meet the level of demand for DFGs.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 The framework agreement has previously been tendered in the same way on four cycles, so officers have experience of managing this type of contract arrangement. There are eight suppliers on the current framework with the top scoring four contractors (based on cost / quality scores) receiving the orders on strict rotational basis. Every twelve months the eight contractors are required to re-submit their cost information against the schedule of rates. The contractors receiving the works orders can therefore change from year to year. If one of the contractors goes into administration, then there are other contractors who can take on those work orders.
- 5.2 It is made clear in the agreement that the work orders are subject to the uptake of the service by clients and funding being available. Therefore, the Council does not

guarantee any volumes of work by the framework, providing no financial commitment.

- 5.3 Contractors are managed by officers in the Housing Service to ensure that any issues/risks relating to them not delivering a satisfactory level of service or non-conformance are mitigated. A suspension and removal process is incorporated into the framework to assist in managing contractors.
- 5.4 Governance is in place for both for the management of the framework within the Housing Service (Department of Place) and also in relation to contractor management through the Council's Contractor Review Group.

6. LEGAL APPRAISAL

- 6.1 Disabled Facilities Grants are given by the Council under Part I of the Housing Grants, Construction and Regeneration Act 1996. If an individual or someone living in an individual's property is disabled they may qualify for a Disabled Facilities Grant towards the cost of providing adaptations and facilities to enable the disabled person to continue living there.
- 6.2 As stated in the report, "Prevention" is a guiding principle enshrined within the Care Act 2014, which aims to improve people's independence and well-being. The Care Act establishes a statutory duty on local authorities to provide or arrange services that help prevent people in their area developing needs for care and support or delay people deteriorating such that they would need on-going care and support.
- 6.3 The establishment of a framework agreement of this value requires compliance with EU procurement legislation, in the form of the Public Contracts Regulations 2015. Regulation 33 sets out the process for setting up a framework agreement, and this and all relevant regulations will be adhered to. Failure to comply could lead to legal challenge incurring costs, delays and reputational damage to the Council.
- 6.4 Framework agreements are a routine procurement method.

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

- 7.1.1 The Council's work to install major adaptations in the homes of people with disabilities supports the objective of making use of existing resources to provide housing where wherever possible rather than using new materials to construct new housing. Significant CO₂ emissions occur through construction which may be avoided or minimised by adapting existing housing stock.
- 7.1.2 We expect contractors to design their services to be as efficient and cost effective as possible, such as effective travel management, practical use of office / base accommodation and recycling of waste.

7.2 TACKLING THE CLIMATE EMERGENCY IMPLICATIONS

Significant CO₂ emissions occur through construction which may be avoided or minimised by adapting existing housing stock.

7.3 COMMUNITY SAFETY IMPLICATIONS

The provision of major adaptations can increase the independence of people with disabilities and significantly improve their quality of life so making them feel more secure in their communities.

7.4 HUMAN RIGHTS ACT

No direct implications under the Human Rights Act 1998 have been identified.

It is noted that the Human Rights Act 1998 makes it unlawful for any public body to act in a way that is incompatible with an individual's human rights. Where an individual's human rights are endangered, Local Authorities have a duty to balance those rights with the wider public interest and act lawfully and proportionately. For this report, the most relevant right, to be considered, from the 16 covered in the Human Rights Act (1998) are:

“the right to respect for private and family life”

“the right to peaceful enjoyment of your property” (if this were interpreted broadly as enjoyment of one's home)

“the right to freedom from inhuman and degrading treatment”

“the right not to be discriminated against in respect of these rights and freedoms”.

7.5 TRADE UNION

None.

7.6 WARD IMPLICATIONS

None.

7.7 AREA COMMITTEE LOCALITY PLAN IMPLICATIONS (for reports to Area Committees only)

Not applicable.

7.8 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

The Council has a statutory duty to provide major adaptations for any eligible person assessed as requiring access to essential facilities. Major adaptations are often provided for disabled children and this could include children for whom the authority has a corporate parenting responsibility. All applications are dealt with in line with the legislation and are given the option to use the agency service to deliver the works, as appropriate.

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

The Housing Service routinely completes Privacy Impact Assessments in line with legislation where there is a change in policy and / or practice. Any issues identified

through those assessments are then addressed.

8. NOT FOR PUBLICATION DOCUMENTS

None.

9. OPTIONS

9.1 Whilst Option 1 below is established best practice, and remains the recommended approach, for the delivery of disabled adaptations through the Disabled Facilities Grant programme Agency Service, there are alternative options to the Framework contract described in Section 3 of this report. The advantages and disadvantages of the established framework arrangements versus the alternative options are described below:

9.2 Option 1 – Framework of 4 Contractors (with a reserve of 4 further contractors)

The framework arrangement requires disabled facilities grant adaptation works to be carried out in occupied domestic premises, having experienced staff who understand the client's needs and have experience of the work / specialist equipment.

Advantages

- Time to appoint a contractor for each individual project, and consequently the overall waiting time for the client, is reduced once the framework is established.
- Allows the Council to tailor its requirements to meet its specific needs, such as: deadlines for commencing and completing works.
- Requirement to re-submit prices for schedule of work on annual basis enables competitive pricing for works.
- No volume of usage guaranteed.
- Framework mitigates this risk of contractors going into administration.
- Provides a known supply base.
- As the supply base is smaller it can be performance managed more effectively.
- Option to go to the reserve contractors should there be performance issues.
- Offers best value for money, ensures options of contractors, timely delivery of works and safeguards clients.

Disadvantages:

- Closed framework does not allow new contractors to join.
- Officer time required to procure the framework.

9.3 Option 2 – Batch Tenders (Group work together into small batches of individual jobs)

Advantages

- Open market allows new entrants as potential suppliers/contractors.
- 'Real-time' competition and up to date costs of materials and labour driven by the market.
- More attractive to smaller companies.

Disadvantages

- Increases processing time for DFGs whilst accumulating a batch of cases and waiting for tenders to be returned.
- Previous experience of such procurement demonstrated contractors often deliver cases consecutively, rather than in parallel / tandem.
- Due to the volume of cases, involves considerable officer time to administer. (Time required to tender, evaluate and engage the contractor for each individual project).
- Larger supply / contractor base, which is more difficult to performance manage.
- Limited availability of experienced contractors of an appropriate size.
- Need to increase staffing levels to manage the contractors.
- Whilst the risk of challenge is not eliminated and there remains processes to follow for call offs, the risk of challenge to separate batch tender processes is higher.

9.4 Option 3 – Utilising existing framework agreements or contracts held by other organisations

Advantages:

- Does not require Bradford Council officer time to prepare and implement.
- Ongoing management / maintenance of the framework is carried out by others.
- Potential for wider range of contractors (depending on who the organisation is and where it is based) and increased competition.

Disadvantages:

- Not guaranteed to provide a Bradford supply base.
- There would be a lack of direct management and control of the supply base.
- Currently no other framework agreements or contractors available that offer the provisions required to deliver disabled adaptations in the Bradford district.
- Bradford Council has less /or no control over the establishment of the framework agreement or contract and therefore is compliance with legislation, leading to unknown risk.

9.5 Option 4 – Partnership with one contractor

Advantages:

- The partnership provides a known supply base.
- The Council can performance manage one contractor more effectively.
- Time to allocate each individual project is reduced once the partnership is established.
- Procuring using a partnership arrangement will allow Housing to tailor its requirements to meet its specific needs, such as: deadlines for commencing and completing works.

Disadvantages:

- Introduces significant risk should the contractor go into administration. (The Council has experienced this previously). This leaves the Council with no contractor to carry out outstanding orders, leaves existing cases unfinished / partially finished and results in a backlog of cases whilst securing a new contractor/partner.
- No option of reserve contractors.
- Any risk of delays impacts directly and significantly on a vulnerable client base, not to mention the reputational damage to the Council.
- Concerns regarding best value for money, due to lack of competition when partnering with one contractor.
- Due to the volume of work the contractor would need to be large and consequently inflated costs due to large company overheads.
- Risk relating to one contractor dealing with volumes of work (and peaks and troughs) and therefore the danger that works are not delivered in a timely manner for the Council's clients.
- Closed market does not allow new contractors to join.
- Officer time required to procure the partnership and manage subsequent risks.
- Not guaranteed to provide a Bradford supplier.

10. RECOMMENDATIONS

That the committee notes the report and supports the continuation of the approach to procure a Bradford Council specific framework of 4 contractors, Option 1 above, providing significant benefits in terms of flexibility, risk, time management, competitiveness, supplier relationships and performance, without the need to guarantee any volume of business.

11. APPENDICES

None provided.

12. BACKGROUND DOCUMENTS

None provided.