

## **Cabinet**

---

**Date of Meeting:** 10 September 2019

**Report Title:** Procurement of Major Housing Adaptations Works

**Portfolio Holder:** Councillor Nick Mannion, Environment and Regeneration

**Senior Officer:** Frank Jordan, Executive Director Place

---

### **1. Report Summary**

- 1.1. This report sets out how Cheshire East Council will secure value for money in the procurement of major housing adaptations works on behalf of disabled residents.
- 1.2. Housing adaptations are provided in the discharge of the Council's statutory duty to meet the needs of disabled adults and children. Adaptations are designed to enable disabled people to live independently in the home of their choice, reducing or delaying the need for formal social care. Major adaptations are funded using the mandatory means-tested Disabled Facilities Grant provided by the Council. These works must be procured in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.
- 1.3. In order to comply with public sector procurement regulations and with the Council's Finance and Contract Procedure Rules, works must be procured in a fair and transparent manner whilst ensuring best value. This is also critical to achieve economies of scale and to consistently manage the quality of the works carried out in the homes of vulnerable residents.
- 1.4. It is recommended that a Framework would be put in place to enable the Council to commission major housing adaptations works on behalf of disabled people. The Framework would appoint three suppliers delivering the full range of building trades, who are used to managing works contracts. The Framework would form part of a larger supply chain to enable the Council to provide a comprehensive domestic repairs and adaptations service to vulnerable residents.

- 1.5. The Framework value would be between £1.4million and £2.8 million over the period of the Framework. The Framework would enable the Council to conduct mini competitions for each scheme of works as required, and would not provide a guarantee of the volume or value of work that would be awarded.

## **2. Recommendations**

### **2.1. That Cabinet**

- 2.1.1. Approve the procurement and establishment of a Framework to commission major housing adaptations works on behalf of vulnerable residents.
- 2.1.2. Delegate authority to the Executive Director Place in consultation with the Portfolio Holder for Environment and Regeneration to award and enter into a Framework Agreement with three suppliers who meet the procurement criteria and requirements of the Framework.

## **3. Reasons for Recommendations**

- 3.1. Housing is a key determinant of health, with the condition and suitability of a person's home being closely linked to their health, care and ability to participate in social networks. Addressing housing conditions and enabling people to stay in their own homes and remain as active and independent as possible delivers outcomes for residents aligned with Outcome 5 in the Council's three year plan: 'People live well and for longer'.
- 3.2. There is a need to achieve best value for the services that the Council directly commissions and provides, whilst at the same time maintaining the best possible service for its residents in line with the Council's three year plan. A Framework would enable us to secure suppliers who meet our quality standards and deliver value for money.

## **4. Other Options Considered**

- 4.1. A wide range of alternative options for the delivery of major housing adaptations works have been considered. The full details are outlined in Appendix 1.

## **5. Background**

- 5.1. The Council delivers services to support people to live independently at home in a number of ways, including the provision of equipment, minor adaptations under £1,000 such as hand rails and grab rails, and major home adaptations costing over £1,000. Major home adaptations are funded by Disabled Facilities Grants and are commissioned by the Council to achieve

best value for money and to support people who are unable to organise building works themselves.

- 5.2. The Council has an existing bespoke Framework Agreement which enables us to make direct awards for individual major adaptations schemes that cost over £1,000. Our experience of delivering the existing Framework has shown us that some simple building works such as level access showers are well suited to being provided by a single appointed supplier using an agreed pricing structure, delivering greater efficiency for the Council. Conversely, appointing a single supplier without any further competition for bespoke larger scale and higher value building works such as extensions and reconfiguration of internal layouts has not lent itself well to being able to demonstrate best value for money.
- 5.3. An options appraisal has been carried out to establish the most effective way to commission the larger scale, higher value building works, and to make the procurement of works more efficient (Appendix 1). In summary, the options that have been considered are:
  - 5.3.1. Utilising the existing Framework to make direct awards to a single supplier without further competition;
  - 5.3.2. A bespoke in-house Framework to appoint three suppliers to cover the full scope of building works;
  - 5.3.3. Individual procurement exercise for each project;
  - 5.3.4. Bespoke in-house Framework with multiple Lots to cover the whole range of building services;
  - 5.3.5. Utilisation of external Framework Agreements;
  - 5.3.6. Utilisation of the Assets low value construction services framework; and
  - 5.3.7. In-house provision, including substantial in-sourcing.
- 5.4. On analysis, taking the advantages and disadvantages of each option into account, it is recommended that the most efficient and cost effective method of delivery would be met through the option outlined at 5.3.2; that is to procure and establish a Framework to appoint three suppliers for major housing adaptations works.
- 5.5. The existing Framework Agreement incorporates a non-exclusivity clause so that the Council can seek alternative arrangements for all or part of the works that are in the scope of the Framework. This means that the Council is not contractually 'locked in' to this arrangement which gives us the

flexibility to put the proposed alternative procurement arrangements in place for all or part of the works that are in scope of the existing Framework.

## **6. Implications of the Recommendations**

### **6.1. Legal Implications**

6.1.1. There are various statutory provisions and guidance under the Care Act 2014, the Chronically Sick and Disabled Persons Act 1970 and the Housing Grants, Construction and Regeneration Act 1996 under which the Council must provide or arrange for the provision of services that contribute towards preventing, reducing or delaying the needs for care and support or arrange any works of adaptation or the provision of additional facilities and grant aid.

6.1.2. A Framework enables the Council to meet its need for a service, supply of goods or works for a set period of time in order to obviate the need to undertake a wide competitive procurement process for each individual scheme. It complies with the Public Contracts Regulations 2015 (“the Regulations”) and the Council’s Contract Procedure Rules.

6.1.3. The Regulations allow local authorities to enter into Framework Agreements with multiple suppliers, following a competitive tendering process, and thereafter the Council can choose to call off contracts under the Framework Agreement following a further mini competition between the suppliers appointed to the Framework.

6.1.4. The Strategic Housing service will engage with Legal Services to ensure that the Framework Agreement contains provisions so that it can be terminated in the event that either the services or works cannot be provided on terms which remain acceptable to the Council or after the initial two year term. The Framework Agreement would not contain any guarantees of work volumes to the appointed suppliers and could be utilised with other options.

6.1.5. The Strategic Housing service has been advised and will engage with Legal Services to ensure that the duties under the Public Services Social Values Act, as it applies to framework agreements, are fulfilled. The Act requires the Council to consider:

6.1.5.1. How what is proposed to be procured might improve the social economic and environmental well-being of the relevant area;

6.1.5.2. How in conducting a procurement process it may act with a view to securing that improvement; and

6.1.5.3. Whether to undertake any community engagement on their proposals.

## **6.2. Finance Implications**

6.2.1. The value of the Framework (£700,000 per annum, for up to four years) can be met within the annual Disabled Facilities Grant capital allocation received from the Ministry for Housing, Communities and Local Government. The capital allocation will be used to deliver all types of major adaptations including lifts, level access showers and specialist equipment, as well as the major building works in this Framework.

6.2.2. In 2019/20 the Disabled Facilities Grant allocation is £2,064,279, however it should be noted that the future allocation of capital grant is not guaranteed. The statutory duty placed on local authorities to award Disabled Facilities Grants determines that should the Government decide not to allocate capital grant for this purpose in the future, funding would need to be provided from the Council's own resources or through prudential borrowing.

6.2.3. A Framework would enable the Council to call-off contracts as required, and does not provide a guarantee of the volume or value of work that the Contractor would be awarded. In the event that the statutory obligation and/or the funding for major housing adaptations works ceases, the Council has no contractual obligations beyond any orders that have been called-off.

## **6.3. Policy Implications**

6.3.1. People need health, social care, housing and other public services to work seamlessly together to deliver better quality care. More joined up services help improve the health and care of local populations and may make more efficient use of available resources. The Better Care Fund brings together health and social care funding, and this policy framework for the Fund aligns with NHS plans and gives areas the opportunity plan more strategically. The Disabled Facilities Grant is a part of the Better Care Fund and is very much in-keeping with the whole system approach of working with our colleagues on the local transformation plans. The Joint Health and Wellbeing Strategy sets out how we will create a place that supports health and wellbeing for everyone in Cheshire East, including ensuring that everyone is equipped to live independently, and enabling more people to live well and for longer.

#### **6.4. Equality Implications**

6.4.1. The proposed Framework would enable the Strategic Housing service to deliver efficient and effective services to groups with protected characteristics who are vulnerable, in particular but not limited to older people and people with a disability. Equality and diversity would form part of the evaluation criteria and the contractual obligations of the provider, ensuring that equality is at the forefront of service delivery.

#### **6.5. Human Resources Implications**

6.5.1. There are no direct implications for human resources.

#### **6.6. Risk Management Implications**

6.6.1. Failure to procure works in accordance with the Public Contracts Regulations 2015 and the Council's Finance and Contract Procedure Rules would leave the Council open to challenge and in breach of regulations, with a subsequent reputational impact.

6.6.2. A failure to establish Framework for which major housing adaptations works can be commissioned would mean that each scheme would need to be procured individually. This is prohibitive both in terms of time and cost.

6.6.3. The contract would be advertised on the North West Chest, and all companies expressing an interest in the framework would be invited to tender. The tenders would be evaluated using a range of published criteria based on quality, delivery, customer care, safeguarding and social value that can be secured for residents, as well as price, in order to establish the most economically advantageous tender.

6.6.4. The Council is keen to achieve social, economic and environmental benefits, whether that be local subcontracting and purchasing, job creation, social/community initiatives and environmental responsibility. The Council would not have a specific target in relation to social value for this tender so as not to stifle innovation, although a question would be asked in the tender documents as to what social value can be secured by suppliers should they be successful. The social value policy would also be appended to the tender documents so that the outcomes that the Council is seeking to achieve can be clearly understood by suppliers.

#### **6.7. Rural Communities Implications**

6.7.1. The provision of adaptations to keep people living independently in their own home supports the sustainability of rural communities.

## **6.8. Implications for Children & Young People/Cared for Children**

6.8.1. The Framework would provide opportunities for disabled children and young people to live in suitable housing, and protect the health of children and young people in low income vulnerable families through improved living conditions.

## **6.9. Public Health Implications**

6.9.1. The Framework would enable the Strategic Housing service to provide services which directly impact on public health. Housing improvements would benefit vulnerable residents' mental and physical wellbeing and reduce demand on health and social care services.

## **6.10. Climate Change Implications**

6.10.1. Building sustainability is a consideration in the specification and design of major housing adaptations works, ensuring that every opportunity to reduce building operating costs are evaluated in order to tackle fuel poverty for vulnerable residents and tackle climate change.

## **7. Ward Members Affected**

7.1. All wards.

## **8. Contact Information**

8.1. Any questions relating to this report should be directed to the following officer:

Name: Karen Whitehead

Job Title: Housing Standards and Adaptations Manager

Email: karen.whitehead@cheshireeast.gov.uk