

Decision maker:	Director of adults and communities
Decision date:	Friday, 29 January 2021
Title of report:	Procurement arrangements for Disabled Facilities Grants services and supplies
Report by:	Senior Commissioning Officer

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

The purpose of the report is to approve a new procurement approach for the provision of Disabled Facilities Grants (DFG's) including the proposal to join the Plymouth City Council Adaptation, Repair, Maintenance and Improvement Dynamic Purchasing System (ARMI DPS) which is administered and managed by Independence Community Interest Company (INCIC). The cost is anticipated to be in the region of £10k to £13k per year.

This new approach ensures the council meets the requirements of the Public Contracts Regulations (PCR 2015) and is compliant for all contracting authorities to use, negating the need for a new competitive procurement process.

Recommendation(s)

That:

- (a) The council adopts a new procurement process for the services and supplies required for the delivery of Disabled Facilities Grants (DFG); and**

- (b) The council joins the Plymouth City Council Adaptation, Repair, Maintenance and Improvement Dynamic Purchasing System which is administered and managed by Independence Community Interest Company in order to deliver the new procurement approach for an initial period of 3 years (subject to the ARMI DPS being renewed); with the option to extend for a further two years if use of the ARMI DPS proves to be successful.**

Alternative options

1. Do nothing – this option is not recommended as the current arrangements and purchasing processes are time consuming and therefore inefficient.
2. Develop a local framework agreement – the costs associated with developing and administering a local framework would be significantly higher than the recommended proposal of the DPS and would also lead to a higher level of risk. This includes the inability to add new providers during the lifetime of the framework and therefore has council contribute to issues in relation to the inability to meet demand.
3. Join a number of different frameworks – this option is not recommended as the DFG scheme covers a wide range of services and supplies. This is the option that has been previously pursued and the needs of the council and service users have not been met. The costs and staff time involved in managing individual processes would not deliver value for money.

Key considerations

4. The council has a statutory duty to approve mandatory Disabled Facilities Grants (DFGs) for major adaptations. This work, along with the provision of equipment and minor adaptations, helps people to live independently in their own homes for as long as possible.
5. The legislation governing DFGs is the Housing Grants, Construction and Regeneration Act 1996 and associated regulations.
6. DFGs are mandatory and are available from local authorities in England and Wales, subject to a means test. The grants are to provide adaptations to the home environment to promote independence and keep people living in their own homes in safety and with dignity for longer. It is critical that adaptations are provided quickly and efficiently to DFG applicants in order for them to conduct day to day activities independently and reduce the risk to themselves and their carers.
7. The works undertaken through the grant includes;
 - a) Widen doors and install ramps
 - b) Improve access to rooms and facilities e.g. stairlifts or a downstairs bathroom
 - c) Provide a heating system suitable to meet needs
 - d) Adapt heating or lighting controls to make them easier to use

8. The amount of grant available is dependent on household income and savings over £6k. The maximum amount available is £30k. Recipients will be asked to contribute in some cases after the means test.
9. Grants are available to people who:
 - a) Own the property
 - b) Intend to live there for 5 years (current grant period); or
 - c) A landlord with a disabled tenant

Slightly different processes need to be followed for landlords/tenants.

10. In Herefordshire, the basic process of the Disabled Facilities Grant is outlined in Appendix A. The stages highlighted in yellow will all be managed through the DPS platform and provide improved efficiencies to the grant process and service user experience. This demonstrates that over a third of the actions required can be managed directly through the DPS.
11. Funding for the grants is provided through the Better Care Fund and the Section 75 agreement with Herefordshire and Worcestershire Clinical Commissioning Group.
12. Over the last three years, the spend, and average grant allocation is outlined below:

Year	Total spend	Average Grant amount	Number of grants awarded
2020-21 forecast	£2,000,000	£8,380	150*
2019-20	£1,999,424	£11,674	180
2018-19	£2,071,880	£9,989	208
2017-18	£1,877,190	£7,988	219

*Reduced forecast due to impact of Covid-19

Not all funding is spent on grants, the legislation allows funding to be used to support the process including staffing, cost of procurement frameworks for example as outlined.

13. The procurement arrangements in the county have varied over the years using different frameworks to purchase supplies and specific items. These have included the Northern Housing Consortium for adaptation and bathroom supplies and a framework with Walsall Council for stair lifts and lifting equipment.
14. More recently, some of the framework agreements have not provided a satisfactory service owing to the county's geographical position in relation to the provider, with timescales and competitive prices not being achieved.

15. Currently the work is being commissioned via competitive quotes with the building works being quoted against an agreed set schedule of work.
16. The council has previously held a list of contractors under the trader register by the trading standards service. The council however no longer keeps a trader register, having no formal duty to do so, and therefore there is no current formal list of contractors. The service is currently using the contractors who have previously worked with the council and continue to do so. A key element of the proposed new approach is to ensure that there is a quality mark and accreditation level for suppliers to reach.
17. Certain frequently procured installations such as level access showers operate on a set schedule of rates to ensure the different elements of the works are costed separately and aids a fair process for suppliers. This would continue to be available in the proposed new DPS approach.
18. As outlined above, standard procurement methods are time consuming and cause delays for the disabled person. In view of this, the council has considered options to improve its current capacity processes and compliance in its procurement and delivery of its DFG's as well as the associated costs and choice that is provided to the grant recipients.
19. The DPS provider manages both contractors and product supplier (provider) compliance and procurement for this specialist market. It offers constant refreshment of contractors and products and seeks response from the market to meet the need of eligible residents. Individual or packages of work can be awarded through the DPS via an online system that offers consumer protection and insurance backed warranty for the works.
20. Use of the ARMI DPS will enable the Council to:
 - a) Access adaptation specialist contractors and suppliers through call off contracts
 - b) Ensure compliance with relevant regulations, for example Construction Design and Management Regulations 2015 and the Consumer Rights Act 2015
 - c) Provide security for residents through the offer of insurance backed warranties
21. The ARMI DPS consists of 20 categories that can be used by member organisations. These are;
 - a) Bathroom adaptations and associated building works
 - b) Bathroom adaptations and associated building works including design
 - c) Provision and installation of shower and/or bathroom cubical (pre-fabricated cubicles)
 - d) Hoists
 - e) Kitchen adaptations and associated building works
 - f) Kitchen adaptations and associated building works including design
 - g) Minor building works
 - h) Ramps, paths and hardstanding including handrails
 - i) Stair lifts (internal and external)
 - j) Through floor lifts (internal) Kind
 - k) External mechanical access lifts (e.g. step lifts)
 - l) Disabled living equipment (e.g. raised wc seats, bath lifts etc.)
 - m) Disabled living equipment requirements/assessment
 - n) Assistive technology services
 - o) Door openers and entry systems
 - p) Major adaptations extensions, conversions
 - q) Home repair and maintenance including handyperson service

- r) Disabled living home design services
 - s) Occupational therapy and trusted assessors services
 - t) Case management service
22. The key benefits of the ARMI DPS in relation to the current model used by the council are:
- a) Flexibility – new suppliers and products can be added at any time
 - b) Opportunity to stimulate the market locally
 - c) Reduces the risk of losing suppliers due to open nature of the ARMI DPS
 - d) Reduces manual tasks involved for staff
 - e) Access to unlimited group of prequalified providers
 - f) Trustmark scheme operator – providing pre qualification, vetting and inspections and ongoing monitoring of providers managed through the online platform
23. Engagement with local suppliers of works is crucial to this approach, although the DPS will be open to any relevant business. Existing local suppliers will be engaged in the process and offered support to register for the DPS and use the online portal. There will be evaluation criteria for prospective suppliers which can include specific criteria for the county. In other areas, this process has increased the number of suppliers to work with, something that the DFG process would benefit from.
24. Timescales for works to be undertaken can be flexible and set for each individual award. The flow diagram in Appendix A highlights an indicative timetable with 24 weeks from initial enquiry to completion as a standard timeframe. It is anticipated that automated reporting will be included in the ARMI DPS shortly and therefore deliver the ability to track those suppliers that have not met the deadlines, which will improve performance overall. There are powers within the regulations to fast track applications where there is an urgent need to address the issue.
25. The ARMI DPS is open to providers throughout its duration for new start-ups, or businesses that wish to expand into new public-sector markets will not be frozen out of the market. The division of ARMI DPS into category by type of requirement or size of contract can be arranged to ensure that niche suppliers and SMEs have maximum opportunity to compete.
26. The ARMI DPS is compliant with the PCR 2015 and has been advertised in the Official Journal of European Union (OJEU) as well as the UK government's Contracts Finder. The ARMI DPS is available for all contracting authorities to use, negating the need for a new competitive procurement exercise. The OJEU notice is valid until 2023 for the initial term with an option to extend for a further 5 years.
27. There are currently 11 local authorities successfully using the ARMI DPS and an additional six looking to join in the next 12 months.
28. Service performance will be monitored through a series of Key Performance Indicators (KPIs) that includes quantitative and qualitative data, service user, practitioner and provider feedback.

29. It is anticipated that it will take up to four to six months to fully mobilise the use of the ARMI DPS and transition over to new arrangements therefore it is anticipated that the council will be fully utilising the DPS service by July 2021.
30. Whist grant recipients will be encouraged to use the DPS through the literature provided, they will maintain the right to be allowed to obtain quotes separately outside of the DPS if they wish to do so. If they choose to obtain their own quotes or have a preferred contractor they would like to use, then the contractor can be directed to join the DPS or the grant recipient can obtain their own quotes separately. If this is the chosen route, the council will make clear the risks of completing the works outside of the DPS without the support of the authority and/or the protections that the DPS offers.

Community impact

31. The DFG scheme supports people of all ages but the breakdown is as follows:

Age	2020- date	2019-20	2018-19	2017-18
Under 5	2	2	2	3
6-16	2	5	4	7
16 - 54	15	39	53	51
55-59	7	17	14	26
60-74	21	52	67	64
75-80	7	23	18	25
80+	17	42	46	43
unknown	0	0	4	0
Total	71	180	208	219

32. The proposed recommendations will directly support the ambitions of the council's County Plan (2020-2024). Specifically this decision relates directly to protecting the lives of vulnerable people and supporting people to live independently. Understanding Herefordshire, the local joint needs assessment (JSNA) provides detailed information about the numbers and distribution of vulnerable older and disabled people, the rates of admission to and discharge from hospital. Timely adaptations through the grant will support reduced admissions and helping people to stay at home
33. Under current DFG legislation there are no means tests for DFGs for disabled children. The disabled facilities grant provisions also allow foster parents to apply for a DFG on behalf of a disabled foster child. Provision may depend on the length and type of placement.

In Herefordshire individual situations are discussed between the children's social care teams, the paediatric occupational therapist and the Home Improvement Agency to ensure that the welfare of children and young people in foster care is actively promoted and that adapted property is available to meet the needs of disabled children. Top up funding for some children's DFGs has been provided by the Children's social care teams where the cost of the adaptations exceeds the mandatory grant limit.

34. Shared Lives arrangements for adults may also be eligible for DFG funding where an adaptation is required to meet the disabled person's needs and a long term shared lives arrangement is in place.

Environmental Impact

35. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
36. Whilst this is a decision on back office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the Council's Environmental Policy.
37. The environmental impact of this proposal has been considered through the service specification and includes appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions and to consider opportunities to enhance biodiversity. This will be managed and reported through the ongoing contract management. This will also be considered as part of the accreditation process for prospective suppliers of works and materials.
38. The development of this project has sought to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance.

Equality duty

39. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
40. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Any providers will be made aware of their contractual requirements in regards to equality legislation. This will include some locally agreed criteria for the DPS which will demonstrate the knowledge and experience of providers to work with and meet the needs of the main service user cohorts with protected characteristics.

41. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes. The Disabled Facilities Grant benefits people sharing protected characteristics, notably disabled people and predominantly older people. Whilst there are few specific equality implications arising from this decision, it does improve the grant processes for the service user, and therefore benefits those certain protected characteristics.

Resource implications

42. There are financial implications of the proposed recommendations in relation to the administration fee for the use of the ARMI DPS.
43. The costs are set at 1% of the overall grant cost and can be financed from the DFG funding. This is outlined in the Housing Renewal Grants (Services and Charges) Order 1996 which covers what the costs can be included within DFG funding. This includes various aspects that will be provided by the ARMI DPS, for example preparation of schedules, obtaining estimates, consideration of tenders, payment of contractor etc.
44. Whilst this is an increase in direct spending overall, the cost on administration and officer time will be reduced due to the automated processes involved in awarding contracts for works, as well as improved efficiency.
45. There is no upfront cost nor minimum annual spend though the ARMI DPS that the council would be committed to. Payment of the 1% of completed adaptation works will be invoiced monthly in arrears.
46. The maximum length of contract is five years, therefore the maximum contract value would be in the region of £59k over a five year period. This specifically relates to the anticipated costs of using the DPS, not the spend on DFG grants.
47. Evidence from other local authorities using the framework does demonstrates a slight reduction in overall spend on supplies and works over a short timeframe. Therefore it is anticipated this will grow over the length of the contract period. There is also likely to be a reduction in officer time per application and allow more grants to be processed each year.

Revenue or Capital cost of project (indicate R or C)	2021/22	2022/23	2023/24	Future Years	Total
	£000	£000	£000	£000	£000
<i>Revenue</i>	10	11	12	26	59
TOTAL	10	11	12	26	59

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
<i>iBCF and section 75 funding</i>	10	11	12	26	59
TOTAL	10	11	12	26	59

Revenue budget implications	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
<i>Revenue increase</i>	10	11	12	26	59
TOTAL	10	11	12	26	59

Legal implications

48. The legal implications arising here have been discussed and appropriately dealt with throughout the report. There are no other legal issues to bring to the attention of the decision-maker.

Risk management

49. There are a number of risks and opportunities linked to the recommendations in this report as outline on the table below:

Risk	Mitigation
Local suppliers do not wish to join the ARMI DPS framework	Independence CIC undertake local training and support to facilitate local suppliers joining the ARMI DPS. Evidence from elsewhere has shown this has worked very well for retention and development. Criteria for works can be weighted to local suppliers

The ARMI DPS does not deliver the anticipated outcomes in terms of efficiency, value for money and quality assurance.	The research undertaken prior to the recommendation suggests this would be highly unlikely, but ongoing research would be undertaken for alternative options for the management of the DFG procurement requirements.
Service users choosing not to use the DPS and therefore don't have the protection and accreditation.	Literature will be produced to highlight the benefits of the DPS and risks of choosing their own contractors to encourage take up.
Opportunity	
Accreditation and quality assurance of suppliers of works and services	This will fill a current gap of a trader register in the county for these types of works.
The ARMI DPS system will enable feedback to be collected on the process and providers products and services and can be used as additional reason to encourage service users to choose the DPS.	This will ensure an efficient evidence base of information to shape decision making.

Consultees

50. No formal consultation has been undertaken. Engagement work will be undertaken with the businesses that can apply to join the ARMI DPS.
51. Officers have engaged with peers from other local authorities using this approach to seek their views and experience.

Appendices

Appendix A – Disabled Facilities Grant process for grants under £15,000

Background papers

None identified