



REPORT FOR: CABINET

Date of Meeting:	11 th April 2019
Subject:	Stairlifts Procurement 2019-2022
Key Decision:	Yes
Responsible Officer:	Nick Powell, Divisional Director of Housing
Portfolio Holder:	Councillor Philip O'Dell, Portfolio Holder for Housing and Employment, Councillor Adam Swersky, Portfolio Holder for Finance and Commercialisation
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	None

Section 1 – Summary and Recommendations

This report asks Cabinet for authority to procure a contract with Stannah via the Procurement for Housing ("PfH") Framework to deliver a stairlift service to residents with mobility issues across the borough in line with the Council's statutory duties. We ask for authority to award this contract for a total of 4 years on proviso the total cost will be contained within approved HRA and General Fund capital budgets over this time horizon.

Recommendations:

Cabinet is requested to:

- 1.1 Give authority to the Divisional Director of Housing to award a contract to Stannah (stairlift providers) for £956,000 via the PfH framework, following consultation with the Portfolio Holders for Housing and Finance & Commercialisation.

Reason: (For recommendations)

- 1.2 Estimated value of the contract to be procured is £956,000 therefore Cabinet approval is required to comply with the Council's Contract Procedure Rules.
- 1.3 The £956,000 award is an estimate and will be contained within the approved DFG and HRA capital budgets over the four years 2019-20 to 2022-23. The expenditure will form part of the overall aids and adaptations programme which has been approved as part of a separate Gateway report.

Section 2 – Report**2.1 Introductory paragraph**

2.1.1 The contract is to:

- Design and deliver a scheme that meets the household needs, or
- Approve works the householder may choose to undertake themselves before awarding grant funding.

2.1.2 In a number of cases the adaptation will require the installation of a stair lift, which is specialist work (that needs to be carried out by a qualified specialist contractor). Each stair lift is likely to need individual design to meet both the clients' needs and the layout of the home.

2.1.3 In addition clients requiring the installation of a stair lift will already have mobility difficulties so being able to move to installation as quickly as possible will always be an important consideration.

2.1.4 These requirements make it prudent to have a specialist contract in place to facilitate the delivery of Disabled Facilities Grant projects and adaptations to Council owned properties.

2.1.5 This is a demand led service, and is based on referrals that are received from social services, so even though a contract will be in place it will be for an (as yet) undetermined number of installations to be identified on a case by case basis.

- 2.1.6 To summarise, the aim of the project is to deliver an effective stairlift installation and maintenance regime that will result in continuing to keep people safe and mobile in their own homes for longer.
- 2.1.7 Cabinet approval is required to begin the process of procuring contractors for all projects with an estimated value in excess of £500,000.
- 2.1.8 Cabinet is asked to authorise award of a stairlift installation and maintenance contract to Stannah via the PfH framework for a duration of 4 years, in consultation with the Portfolio Holders for Housing and Finance & Commercialisation.

2.2 Options considered

- 2.2.1 The procurement options considered were as follows:

a). Open tender and award to one provider

Engaging in an open tender in normal circumstances allows for wider competition but as stairlift contractors are fairly specialised this may not be the best route. There are only one or two large contractors within the industry that provide a 10 year extended warranty and recycling facilities for stair lifts. The smaller contractors cannot offer extended warranties and ongoing maintenance costs can be substantial.

The facility of a 10 year warranty removes this risk and recycling saves money for the council in future installations. A smaller stairlift contractor doesn't have this type of capacity.

b) Providing the service in house

There are currently no provisions for the Council to provide this service in house.

c). Exploration of neighbouring authorities frameworks

Most of the neighbouring boroughs are already signed to the PfH framework contract as there are benefits that come with a bigger service provider (i.e. 10 year warranties, storage and recycling facilities). Very few of them use smaller contractors to carry out works.

d). Joint contract with other boroughs

This was trialled via the West London Alliance but was not a success due to serious concerns around quality of work, and is discussed further in the Background section of this Cabinet report.

In addition extended warranty and recycling of equipment is not an option with the smaller service providers as it is not financially viable.

e). Accessing a framework

The current framework has been in use for 3 years and during this time there have been no issues with the framework provider. Stannah are reliable and responsive to our requirements and the framework contract also allows us to use alternative contractors on the framework if Stannah are unable to provide a specific lift as required by the surveyor's specification.

Accessing a framework for this type of work encourages economies of scale.

The framework also offers recycling of stair lifts that are removed from premises when they are no longer needed and are stored at no additional charge to the client. They are also re-furbished and re-used across the borough, offering further savings to the authority. All stair lifts installed come with an extended 10 year warranty.

Stannah are also well known for their expertise and fast service which is an important consideration when carrying out adaptation works.

This is a fully OJEU compliant framework for the supply of materials and associated services, and has been updated to include a more focused approach to Aids & Adaptations and Stair lifts. There are a limited number of specialist contractors in the field of the installation of stair lifts and so unsurprisingly following the 2 stage procurement process only 2 contractors were appointed to the framework for the relevant lot.

As detailed above they are also cheaper than smaller contractors and the framework ensures that we are getting the best price available for the specific works and maintenance requirements. As detailed in the framework's Buyers Guide, the PfH will guide the authority through contract set up to ensure the most competitive pricing from suppliers based on specific needs. This allows PfH more control of the margins that merchants use to guarantee extremely competitive and transparent pricing.

The updated framework prices submitted have increased for the new contract but are still competitive and represent VFM; there has been a minimal increase of 0.9% on curved track stairlifts but a 9.9% increase in the cost of a straight track stairlift, the 9.9% increase is still acceptable as overall the increase on the total contract value is around 1.5% as the majority of the installations are curved track (98 curved track and 13 straight).

f) Do nothing

This is not an option, as failure to deliver the adaptations will result in a statutory as well as Health and Safety breach and furthermore a deterioration of mobility and wellbeing of residents in their own homes, affecting their quality of life and the ability to engage with the wider community.

In conclusion from the options considered above, Option e. is preferred as drawing down from the frameworks will provide a quick route to market and instant access to specialist contractors to carry out essential works.

Stannah are the leaders in the supply and installation of stairlifts, they are renowned for their quality and reliability and offer a 24 hour 365 day a year repair service and they employ local engineers to achieve this.

There are also economies of scale to be had in procuring a contract over a number of years rather than drawing down on an annual basis and the buyer's guide as detailed above will assist the Council in procuring a good market rate. In addition as the provision of stairlifts is an ongoing requirement for the provision of

Adaptations as a whole, signing up to the framework for 4 years will also assist in saving administration time and cost for officers across the board. This is the recommended option.

2.3 Background

- 2.3.1 In the past, the Council shared a contract with other West London boroughs but withdrew from this arrangement following a serious H&S incident in another Council that caused concern about the quality of the contractor's work. To avoid any risk of incidents affecting vulnerable Harrow residents it was decided to no longer use this contractor.
- 2.3.2 As an interim measure, a waiver was put in place for a contractor called Freeway, so that the service was not interrupted. However over time it was clear that this emergency measure had not tested best value and that in addition there was no option available to recycle equipment when it was no longer required, to use in other required adaptations within the borough.
- 2.3.3 Exploring possible procurement options led to identifying a framework that fully met the Council's needs. The framework is owned by Procurement for Housing (PfH) and is for the supply of materials and associated services. Items and services covered in this framework include but are not limited to:
- Delivery and Supply of Plumbing and Heating Products, Gas Spares, Building Materials, Electrical Products, Tiles, and Renewable Products
 - Hire of tools and plant equipment
 - Design, survey and installation of adapted products and stair lifts
 - Managed Services, which may encompass all material requirements and additional service delivery requirements such as stores management and/or imprest van stocks.
- 2.3.4 The offering is set over 10 Lots, some of which have been detailed as above. Stair lifts are Lot 8 of the framework.
- 2.3.5 Procurement for Housing (PfH) established a Product Group comprising of a variety of PfH members, some who utilised the existing agreement and others who hadn't accessed the agreement previously. It was designed with the purpose of providing member input to the formation of the framework and in some cases some aspects of contract management. Engagement at initial strategy and tender stage was key to determining that the scope and structure of the framework agreement is appropriate and suitable.

2.4 Current situation

- 2.4.1 We are coming to the end of our current call off contract which expires in January 2019 a new contract now needs to be put in place in order for Harrow Council's HIA team to continue carrying out statutory works and to ensure that we are not in breach of Health and Safety regulations. In the interim, a waiver has been put in place to continue this service.
- 2.4.2 As this type of work is an ongoing requirement, the most efficient way to procure would be to ensure that there is a contract in place for a number of years (thus

reducing unnecessary administration and officer time), to enable us to draw down from the Framework and continue to carry out the statutory requirements.

2.5 Environmental Implications

2.5.1 It is the intention that the delivery of any contract will contribute to the Council's objectives around social, economic and environmental sustainability.

2.5.2 As mentioned previously, Stannah also have a recycling scheme in place. If a stairlift is no longer required but still serviceable they will remove, refurbish and store free of charge until required by Harrow Council. Stannah will then reinstall at a reduced cost to the Council. This is not only environmentally responsible it also saves the council money.

2.6 Data Protection Implications

2.6.1 As the nature of work being undertaken requires us to collect relevant information of a sensitive nature, all resident/ adaptations data is managed through Civica and all staff are DBS checked.

2.6.2 No financial details are shared with the contractor at all. Personal details are only shared with the contractor when the nature of the disability is relevant or will have an impact of carrying out the adaptation works.

2.6.3 The resident will sign a data sharing agreement before the start of works stating how their data will be used and is in line with the GDPR and the Data Protection Act 2018.

2.7 Risk Management Implications

2.7.1 The main risk is increased demand for services against reduced budgets and demands from others services that impact on our budget. We have highlighted this risk in a report to CSB.

2.7.2 In order to mitigate this risk we are liaising with Foundations, the government advisory body on adaptations, to try and increase the central government grant. Also a review of our DFG funding is taking place with relevant colleagues which will provide interim and long term solutions.

2.7.3 From a business risk perspective, it should be noted that by the Council not being able to deliver adaptations (due to budget constraints, it could have serious implications for resident's health and safety and put the council at risk of legal challenge.

2.7.4 Specific risks in relation to installing an adaptation will be monitored and managed on each project (adaptation) as it moves forward.

2.8 Procurement Implications

- 2.8.1 Procurement support the recommendations made out in this report to access the Procurement for Housing Framework and direct award to Stannah for the period of 4 years.

2.9 Legal Implications

- 2.9.1 The Council's Contract Procedure Rules (CPR) state that approval to award a contract with a total value of £500,000 or above must be obtained by completing a Cabinet Report.
- 2.9.2 The Framework Agreement is already fully OJEU compliant.
- 2.9.3 Framework Agreements established by other bodies that are lawfully accessible by the Council should be used in accordance with the terms and conditions of the relevant Framework Agreement.
- 2.9.4 Clause 7.5 of the CPR states that the Director of Commercial, Contracts and Procurement must approve accessing externally established Framework Agreements. Approval for subsequent call-offs from the approved Framework Agreements will be subject to the requirements of the CPR.
- 2.9.5 HB Public Law can advise on accessing and calling-off from the Framework Agreement if required.

2.10 Financial Implications

- 2.10.1 The total expenditure on stairlifts is estimated at £956k over four years will be funded from HRA Adaptations and General Fund DFG budgets.
- 2.10.2 The table below shows estimated expenditure on stairlifts (this report) together with wider adaptations approved separately by Gateway 2 to demonstrate how total adaptations expenditure can be kept within approved budgets.

£'000	2018-19 approved budget, information only	2019-20 draft budget	2020-21 draft budget	2021-22 draft budget	2022-23 draft budget	Total draft budget – to be approved
Aid & Adaps [HRA]	615	573	573	573	573	2,292
Stairlifts (separate Cabinet report)		72	72	72	72	286
HRA Capital	615	645	645	645	645	2,578
Approved budget - HRA Adaptaions	615	645	645	645	645	2,580
		0	0	0	0	
DFG	2,256	2,795	1,863	1,863	1,863	8,384
Stairlifts (separate Cabinet report)		167	167	167	167	668
Less amounts not used for DFGs (ICES & Telecare)	-395	-395	-395	-395	-395	-1,580
Capital budget available	1,861	2,567	1,635	1,635	1,635	7,472
Approved budget - DFG (excluding expenditure by Adults & Resources)	2,256	2,567	1,635	1,635	1,635	7,472
Framework 1	2,476	3,212	2,280	2,280	2,280	10,050
Repairs [HRA]	185	185	185	185	185	740
Framework 2	185	185	185	185	185	740

2.10.3 £956k has been apportioned over each year and split by General Fund and HRA based on historic delivery, however in year delivery over the next 4 years will depend on the nature of the applications received.

2.10.4 The table above recognises expenditure by Adults and Resources will be held separately from 1st April 2019 and assumes all associated fees will be contained with approved budgets.

[Note: Virements over £500k require Cabinet approval.]

2.11 Equalities implications / Public Sector Equality Duty

2.11.1 An initial Equality Impact Assessment has been prepared for the delivery of stairlifts within the borough. This identified no need for a full assessment at this stage because it did not identify any potential for unlawful conduct or disproportionate impact. All opportunities to address diversity, particularly vulnerability for all residents of various tenure will be addressed through the contract specification on each individual project and ensure residents receive the same service regardless of, but taking into account specific needs.

2.11.2 These will be addressed in the tendering documents and processes and the assessment will be updated as the project moves forward.

2.11.3 The procurement exercise is designed to deliver existing policies and strategies maintaining the current level of equality in service provision. The project will be very clear on the equalities related duties on contractors, given the wide range of needs of our customers.

2.12 Council Priorities

2.12.1 The Council’s vision:

Working Together to Make a Difference for Harrow

- **Building a Better Harrow**
- **Supporting Those Most in Need**
- **Protecting Vital Public Services**
- **Delivering a Strong Local Economy for All**
- **Modernising Harrow Council**

2.11.2 The Home Improvement Agency (HIA) works with some of the most vulnerable residents in the borough and through the services we provide make a difference to the lives of residents by way of specially designed adaptations that increase independence and mobility of residents within their own home and the ability to engage with the wider community.

Section 3 - Statutory Officer Clearance

Name: Tasleem Kazmi, Finance Business Partner – Housing & Regeneration	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 27/03/19		
Name: Puja Shah	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 6/03/19		

Section 3 - Procurement Officer Clearance

Name: Jessica Covey	<input checked="" type="checkbox"/>	on behalf of the Head of Procurement
Date: 22/02/19		

Name: Paul Walker	<input checked="" type="checkbox"/>	Corporate Director, Community
Date: 1/4/19		

Ward Councillors notified:	NO, as it impacts on all Wards
EqlA carried out:	YES
EqlA cleared by:	YES An overarching EQIA was undertaken for the programme DETG Chair

Section 4 - Contact Details and Background Papers

Contact: Andrew Campion,
Head of Asset Management
0208 424 1339
Andrew.Campion@harrow.gov.uk

Background Papers: None

Call-In Waived by the Chair of Overview and Scrutiny Committee	No
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