

Report for: **Cabinet**

Date of Meeting:	16 th March 2023
Subject:	Home Improvement Agency - Extension of existing contract and procurement of Aids & Adaptations and Handy person service
Key Decision:	Yes - procurement of the service will exceed the threshold of £500k
Responsible Officer:	Dipti Patel - Corporate Director of Place David McNulty – Divisional Director of Housing
Portfolio Holder:	Councillor Mina Parmar - Portfolio Holder for Housing
Exempt:	No, except for appendices 1,2,3,4 and5 which are exempt under paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 as they contain information relating to the financial or business affairs of any particular person (including the authority holding that information)
Decision subject to Call-in:	Yes
Wards affected:	All Wards
Enclosures:	Appendix 1 (EXEMPT) – ITT Aids & Adaptations 2023 Appendix 2 (EXEMPT) – Lot 1 Adaptations Spec 202 Appendix 3 (EXEMPT) – Lot 2 Handyperson Repairs Spec 2023 Appendix 4 (EXEMPT) - Lot 1 Std Non Std Adaptations Pricing Schedule Appendix 5 (EXEMPT) – Lot 2 – Handyperson Pricing schedule

Section 1 – Summary and Recommendations

This report seeks authority from Cabinet to extend the existing framework and procure a new framework agreement for Contractors to deliver Adaptations for People with disabilities across all tenures, and to provide a Handyperson Service. The report also seeks delegated authority to award contracts following the outcome of the procurement process.

Recommendations:

Cabinet is requested to:

- 1) Approve a 5-month extension to all providers on Lot 1 and Lot 2 from 20th May 2023 until 19th October 2023
- 2) Approve the commencement of the re-procurement of a framework agreement for the following two Lots for four years:
 - Lot 1 – Standard and Nonstandard Aids and Adaptations
 - Lot 2 – Handyperson Service
- 3) Note that the total value of the framework over the four years will be £10,749,680
- 4) Delegate authority to the Corporate Director of Place, following consultation with the Portfolio Holder for Housing, to award and appoint contractors to the Framework and to call-off and arrange the execution of contracts with the successful tenderers.

Reason: (For Recommendations) To comply with the Council's Contract Procedure Rules and Financial Regulations, due to the aggregate estimated value of the potential call-off contracts under the Framework Agreement.

Section 2 – Report

1.0 Introduction

- 1.1 In February 2017 Cabinet agreed the appointment of contractors to the framework to deliver Adaptations for disabled residents across all tenures and provide the Handyperson service for 3 years with an option to extend up to one further year.
- 1.2 The current arrangement has worked well overall and contractors complete non-scheduled works for individual adaptations when requested. This has allowed contractors to focus on the type of adaptations they are specifically qualified to do, ensuring the adaptation is delivered promptly by spreading the workload between several specialist contractors.

- 1.3 Since 2014 the service has also taken on the maintenance of existing adaptations to Council stock and the Handyperson service. The Handyperson Service has a criterion that has to be met, it also supports the avoidance of delayed hospital discharges, and supports vulnerable residents when they return home.
- 1.4 Re-procuring new framework agreements will ensure we comply with public procurement regulations and that we continue to receive value for money for these contracts, whilst ensuring that the Council continues to meet its statutory responsibilities under Disabled Facilities Grant (DFG) and Better Care Fund legislation.
- 1.5 We propose to offer each project to contractors on a rotational basis, to share the workload evenly, where a contractor is unable to meet the specific requirements or timescale required for the project, at that time the works will be offered to the next contractor on the Framework.

2.0 Options Considered

- 2.1 One option considered was to analysis the possibility of utilising other public sector Frameworks. There are several Local Authority Frameworks in place for adaptations, however these are restricted to that Local Authority and not available to other public bodies. There are some adaptations frameworks available from purchasing consortiums (YPO), however, these are mainly material specific (i.e. specialist lifts, hoists etc) and not covering the works element required.
- 2.2 Therefore, there is no alternative but to carry out a full tendering process for disabled adaptation services to comply with The Public Contracts Regulations 2015.
- 2.3 Officers considered the option of setting up a Harrow Disabled Adaptation Framework that would attract the local and SME suppliers. Working with SME suppliers would allow for the service area to be agile in its response to increase demand.
- 2.4 The first lot would be a framework of up to 15 contractors to provide adaptations both to Council properties (funded by the HRA) and to other homes through DFG. The appointment of several specialist contractors to a framework will ensure we have the ability to deliver a consistently high-quality service to some of Harrow's most vulnerable residents, that takes their specific needs fully in to account and minimises delay at all times.
- 2.5 The second lot would be for up to 2 contractors to deliver the Handyperson service. Again, demand fluctuates with these elements of the service and customers' needs are frequently urgent. The framework will help to ensure we have the capacity to respond promptly to all requests.

- 2.6 The recommended option is to procure a framework under 2 lots that will offer prompt delivery with a good level of service. The lots will be split as follows:
- Lot 1 – Standard and Non-Standard Aids & Adaptations (up to 15 suppliers on the framework)
 - Lot 2 - Handyperson service (up to 2 suppliers on the framework).

3.0 Background

- 3.1 The Home Improvement Agency (HIA) in Harrow delivers advice, support, information, advocacy, and practical help with designing and delivering adaptations and small jobs around the home to around 800 vulnerable, older or disabled people every year. Services are both cost-saving and preventive, aimed at prolonging older and disabled people's mobility, well-being, home safety, warmth and independence at home and preventing untimely or unnecessary admission to hospital or requiring care packages.
- 3.2 Adaptations vary considerably – both in terms of scale and specialism. The service is demand led, and most cases require an Occupational Therapist assessment before a suitable adaptation can be designed and referral rates vary from month to month. The practical help delivered can range from relatively small jobs such as installing a ramp to considering building an extension to house living facilities for the disabled person. All referrals need a prompt response, as the applicant will need the adaptation to assist with daily living, but some are particularly urgent because the customer is at risk, awaiting discharge from hospital and/or the Council is incurring high costs providing care etc. that can be reduced or eliminated once the adaptation is completed.
- 3.3 The Handyperson service provides much needed support that can help residents retain their health and independence and is often linked to the wider work of the HIA in fast tracking hospital discharges and undertaking repairs in the homes of vulnerable people to enable them to remain safe in their homes.
- 3.4 It is the intention to procure a framework with 2 Lots. Lot 1 will have up to 15 contractors to provide adaptations both to Council properties (funded by the HRA) and to other homes through DFG. The appointment of several specialist contractors to a framework will ensure we can deliver a consistently high-quality service to some of Harrow's most vulnerable residents, taking their specific needs fully into account and minimises delay at all times.
- 3.5 Lot 2 will have up to 2 contractors to deliver the Handyperson Service. Demand fluctuates with these elements of the service and customers' needs are frequently urgent. The service is also expanding to provide a commercial arm so the framework will help to ensure we have the capacity to respond promptly to all requests.

3.6 In addition to the reasons given above, we know that nationally DFG funding will increase each year until 24/25. Whilst it is not yet clear the proportion of the increased grant Harrow will see it is possible grant funding (currently £1.7 million p.a.) could double. We know that the reason for increasing the grant is to expand the Council's statutory duty to do more to contribute to the prevention agenda in partnership with Health. Harrow's service is working towards this, and several new initiatives are in the pipeline. However, with these anticipated changes we need to ensure our framework of contractors can provide the flexibility needed to develop new aspects of the service currently provided with no adverse impact on existing services.

4.0 Performance Issues

4.1 The new contractors will be managed effectively from mobilisation through each individual project, by the surveyors within the HIA. Performance statistics will be reviewed monthly and monitored. Effective and regular communication between the contractor and the Council whilst works are underway will ensure adaptations progress well and that the needs of the disabled person and members of the household are at the heart of all decisions.

5.0 Environmental Implications

5.1 It is the intention of the Asset Management Team that the delivery of all contracts will contribute to the Council's objectives around social, economic and environmental sustainability. We aim to do all we can to ensure that we support Harrow's economy by buying locally wherever practical and maximise opportunities for local people in employment and training. The contract specification will ensure that tenders provide detailed information about their contribution to the environment and sustainability and by looking for a framework of contractors we hope to procure small, local contractors who will be better placed to employ a local workforce.

6.0 Risk Management Implications

6.1 The delivery of the adaptations service is not a specific risk on the departmental risk register. There is also no separate risk register in place for either the procurement exercise or the on-going delivery of the service although one will be developed as the project progresses

6.2 In addition risks are identified and monitored for each individual project undertaken within the service. The contractors are responsible for completing a risk assessment.

7.0 Risk Management Implications

Risks included on corporate or directorate risk register? **Yes**

Separate risk register in place? **No**

The relevant risks contained in the register are attached/summarised below.

Yes

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
The procurement process is not properly undertaken in compliance with Public Procurement Regulations and the Council's Contract Procedure Rules and Financial Regulations	<ul style="list-style-type: none"> ▪ Acceptance of the recommendation in this report will fully mitigate this risk 	Green
The current contracts that are due to expire will not be renewed and therefore if we do not seek cabinet approval to procure, we will be unable to provide a statutory service beyond May 2023.	<ul style="list-style-type: none"> ▪ Acceptance of the recommendation in this report will fully mitigate this risk 	Green
If we are unable to procure there is a risk to service delivery and loss of the DFG budget from the BCF.	<ul style="list-style-type: none"> ▪ Acceptance of the report's recommendation will fully mitigate this risk 	Green
The contract is due to end and if we do not procure, we are at risk of losing the current contractors who are experienced local contractor who offer a reliable and efficient service	<ul style="list-style-type: none"> ▪ Acceptance of the report's recommendation will fully mitigate this risk 	Green
The risk of not procuring may result in complaints, increase in hospital admissions, need for care packages, and restricted the ability to maintain independence in their own home.	<ul style="list-style-type: none"> ▪ Acceptance of the report's recommendation will fully mitigate this risk 	Green
The procurement arrangements for the two framework contracts and the Handyman service do not	<ul style="list-style-type: none"> ▪ Robust tender process to be undertaken for the contracts further to Contract Procedure Rules 	Amber

Risk Description	Mitigations	RAG Status
represent or deliver value for money for the Council	<ul style="list-style-type: none"> ▪ Current market conditions may result in a limited number of suppliers tendering 	
Material shortages and cost and delivery issues increase the cost of individual schemes	<ul style="list-style-type: none"> ▪ We will secure cost assurance from contractors and ensure schemes are turned around efficiently to avoid any delays which could aggravate inflation pressures 	Amber
Arrangements for contract management are not adequate or effective leading to poor quality work and delays on the contract	<ul style="list-style-type: none"> ▪ Ensure that contract is adequately resourced-internally and also quality assured 	Green
The framework of contractors procured is not sufficiently flexible to respond urgently to need/demand/ and to develop new aspects of the service currently provided	<ul style="list-style-type: none"> ▪ By allowing a Lot of up to 15 contractors we will be in a position to ensure work can be cascaded across suppliers based on volume. This should ensure the degree of flexibility we need. 	Green

8.0 Procurement Implications

- 8.1 The Council can compliantly extend the existing Framework for 5 months from the 20th May 2023 until the 19th October under Regulation 72 of the Public Contract Regulations 2015 – (1)(e)
- It does not render the framework agreement different from the one initially procured
 - The modification does not mean that unsuccessful bidders would have been chosen, a different tender would have been accepted or other bidders would have taken part
 - The modification does not change the economic balance of the contractor which it already did not have in the initial framework agreement e.g. no price changes
 - Modification simply extends for 5 months, and does not change the scope
 - The original contractor(s) are not being replaced as a result of the modification
- 8.2 During this extension period the Council will run a competitive procurement exercise in accordance with the Councils Contract Procedure Rules and the Public Contract Regulations 2015. It has been agreed that the OPEN Procedure will be followed to procure a framework with two Lots, Lot 1 – Standard and Nonstandard Aids

and Adaptations, Lot 2 – Handyman Services for the period of 4 years with no option to extend.

9.0 Legal Implications

- 9.1 The Council has a statutory duty to undertake adaptations to the homes of disabled people.
- 9.2 Under Regulation 33 of The Public Contracts Regulations 2015, the Council can set up Framework Agreements for up to 4 years and must operate the Framework Agreement in accordance with Regulation 33.
- 9.3 Contracts can be called off from the Framework Agreement directly or by mini competition and the rules of the Framework Agreement make the intended call-off process clear.
- 9.4 HB Public Law will draft a Framework Agreement suitable for the type of works being procured and will advise (where required) on the procurement process in light of the Public Contracts Regulations 2015.

10.0 Financial Implications

- 10.1 The Adaptations budgets for Disabled Facilities and Council adaptations are currently assumed at £1,721,553 and £645,000 from April 2023 and funded through a mixture of General fund grant funding and HRA capital.
- 10.2 Funding for the General Fund works are from the Disabled Facilities Grant element of the Better Care Fund which is passported through to Housing Services to support adaptations in the home. The funding allocation for 2022/23 is £1,721,553. It was confirmed in a government announcement at the beginning of December 2021 that funding for Disabled Facilities Grants will be sustained at the same level until at least 2024. However, it should be noted that the future allocation of capital grant is not guaranteed beyond 2024/25. The statutory duty placed on local authorities to award Disabled Facilities Grants determines that should the Government not allocate capital grant to the Council in the future, funding will need to be provided from the Council's own resources or through prudential borrowing.
- 10.3 Funds are set aside in the HRA business plan for the delivery of adaptations to the Council's housing stock.
- 10.4 The total contract value across the framework of £2,687,420 per annum is deliberately set higher than the existing budget provision and this provides the council some flexibility if there is a requirement to spend more.
- 10.5 A Framework will 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 will be awarded. In the event that funding ceases, the

Council has no contractual obligations beyond any orders that have been called-off.

- 10.6 The impact of not spending on these critical adaptations is that vulnerable clients may not be able to remain in their homes thus losing independence and may therefore require residential care. Without adaptations residents may also require hospital admission or re-admission due to injury in the home, as well as exposing carers to the risk of injury and increasing the incidence of carer breakdown.

11.0 Equalities implications / Public Sector Equality Duty

- 11.1 The procurement exercise is designed to deliver existing policies and strategies maintaining the current level of equality in service provision. The contract specification will be very clear on the equalities related duties on contractors, given the wide range of needs of our customers.
- 11.2 An initial Equality Impact Assessment has been prepared for the delivery of the Home Improvement Agency. 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 and the individual needs of applicants be addressed through the contract specification and ensure residents receive the same service regardless of but taking into account specific needs. We will address these in our tendering documents and processes. The assessment will be updated as the project moves forward.

12.0 Council Priorities

- 12.1 Adaptations to the homes of disabled people, whether Council tenants or other residents provide opportunities to retain independence to many vulnerable residents.
- 12.2 Specifications for all contracts will ensure that the successful contractor is equipped to provide a high level of customer service to all our residents. In addition, every effort will be made to ensure that local businesses are encouraged to submit tenders and that added social value to support communities will be a part of the evaluation process.
- 12.3 Reducing negative impacts on health, hospital admissions, and length of stay.

Section 3 - Statutory Officer Clearance

Statutory Officer: Tasleem Kazmi

Signed on behalf of the Chief Financial Officer

Date: 24th February 2023

Statutory Officer: Mariam Khan

Signed on behalf of the Monitoring Officer

Date: 2nd March 2023

Chief Officer: Dipti Patel

Signed off by the Corporate Director

Date: 2nd March 2023

Head of Procurement: Lisa Taylor

Signed on behalf of the Head of Procurement

Date: 2nd March 2023

Head of Internal Audit: Neale Burns

Signed on behalf of the Head of Internal Audit

Date: 2nd March 2023

Has the Portfolio Holder(s) been consulted? Yes

Mandatory Checks

Ward Councillors notified: NO, as it impacts on all Wards

EqIA carried out: Yes, an overarching EQIA was undertaken for the programme Directorate Equality Task Group.

EqIA cleared by: (DETG) Chair

Section 4 - Contact Details and Background Papers

Contact: Rukshan Kariy, Interim Head of Asset Management, Place Directorate, Rukshan.Kariy@harrow.gov.uk, tel. 07927 548861

Background Papers: None

Call-in waived by the Chair of Overview and Scrutiny Committee - NO