

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 10 January 2024
Subject:	Proposal to utilise a Dynamic Purchasing System for disabled adaptations	
Report of	Cabinet Member for Housing Services	

1. Summary

- 1.1 This report outlines the proposal to utilise a Dynamic Purchasing System (DPS) delivered by Independence Community Interest Company (INCIC) for disabled adaptations. It is currently successfully utilised in 22 other Local Authorities.
- 1.2 The Council is required, under the Equality Act 2010 and Care Act 2014, to make reasonable adjustments to meet identified needs of persons living in their homes. Additionally, the Council has a statutory duty to approve mandatory Disabled Facilities Grants (DFG's) for adaptations to the home environment to promote independence and keep people living in their own homes in safety and with dignity for longer.
- 1.3 Adaptations can help to prevent or delay the need for care and support, both of which are central themes of the Care Act 2014. When adaptations cannot be progressed quickly, this can significantly impact upon resident outcomes and wellbeing. It is therefore vital that adaptations are provided quickly and efficiently to support residents to stay living in their homes, reducing unnecessary reliance on hospital beds and residential placements and the associated decline in independence and quality of life.
- 1.4 To ensure that the Council meets its legal duties and strategic priorities in the most efficient and economically advantageous way, approval is sought to use a DPS for disabled adaptation works and services to both private and Council properties. This will support better service equity across the borough, ensuring that vulnerable residents will receive disabled adaptations in a timely way and to a high- quality standard irrespective of tenure.
- 1.5 Bury Council's Private Sector Housing (PSH) manage applications for Disabled Facilities Grants (DFG), which is a statutory duty of a Local Authority, where part of the process involves facilitating access to contractors who can complete adaptation works, produce schedules of works and instructing contractors to submit quotations for specified works. The team then supervise contractors to the completion of works once approved and commenced.

- 1.6 The list of contractors utilised has not been reviewed for more than 6 years. Currently the team works with four contractors and utilises a Manchester Council Framework for bathroom adaptations.
- 1.7 Whilst there have been no concerns with regarding cost, contractor workmanship nor customer service, there is a requirement to review service options to assist in processing applications to the completion of works in a timelier manner and ensuring adaptations are carried out without delay, assisting people to live independently in their own homes, thereby helping to reduce potential increases in costs to Adult and Childrens Social Care budgets.
- 1.8 Independence CIC (INCIC) provides:
- Access to list of adaptation specialist contractors for both grant work and private work for Bury residents.
 - Ensure compliance with relevant regulations, for example Construction Design and Management Regulations 2015 and the Consumer rights Act 2015.
 - Insurance backed Warranties for customers.

2. Recommendation(s)

- 2.1 It is recommended that there is approval for the Council to:
- Make a direct award to Independence CIC Dynamic Purchasing System to deliver disabled adaptation works for all tenures.
 - Enter into an Access Agreement for four-years with the option of additional two-year extension option at the sole discretion of Bury Council to access and use the Dynamic Purchasing System provided by Independence CIC.

3. Reasons for recommendation(s)

- 3.1 The DPS will allow for wider procurement and flexibility in the market. Other benefits include:
- Greater economies of scale giving better prices.
 - Increased opportunities for local SMEs to allow for greater opportunity to compete and expand into the public sector.
 - Compliance with Public Contracts Regulations 2015 (PCR 2015) and has been advertised in the Official Journal of European Union (OJEU) as well as the UK government Contracts Finder website.
 - Compliant for all contracting authorities to use, negating the need for a new competitive procurement exercise.
 - An 'open market' solution designed to provide buyers with access to an unlimited group of pre-qualified providers.

- Continued refreshment of the supplier base - Unlike a traditional framework, Contractors /Suppliers (Providers) can apply to join at any time. Suppliers can apply to single or multiple lots within a DPS. The rules relating to the usage and creation of a DPS come from The Public Contracts Regulations 2015 (PCR2015).
- 3.2 The software system used to access the DPS will enable streamlined monitoring for the progression of works, enable better complaint handling, ensure priority cases can be prioritised. It is compatible with Microsoft 365 and is GDPR compliant.
- 3.3 Although our current contractors may not be willing to sign up to the DPS – they can access it at any point in the future should they wish to do so.
- 3.4 The Council could trial the use of the DPS and find that it does not suit our requirements. However, there is no obligation to use the DPS once the access agreement is signed and the Council can withdraw at any point with no financial or legal repercussions.
- 3.5 Contractors who apply to be included on the DPS would be encouraged to demonstrate their potential to enhance additional social value through the development of the local economy.
- 3.6 The Council will encourage applications from local providers to join the DPS who are able to demonstrate an ability to meet the Councils strategic aims to protect vulnerable people whilst developing sustaining services and building resilient communities.

4. Alternative options considered and rejected

4.1 No change to business as usual:

- The local authority has a statutory duty to deliver the DFG function as detailed in the Housing Grants, Construction and Regeneration Act 1996, Equality Act 2010 and Care Act 2014. The consequences of not providing DFG's effectively will be increased complaints of maladministration, monetary fines, and reputational risks.
- Failure to comply with statutory timescales (12 months from application to payment of grant) may result in Judicial Review.
- The process in which records are processed makes GDPR requirements a challenge, as finding information to individual clients are not stored in one location. For example, emails from Home Improvement Officers could be inadvertently left in email inboxes rather than saved to client records. This makes complaint handling difficult.

- Seeking three quotations, for each individual piece of work is both resource intensive and causes delays for the customers.
- Therefore, doing nothing is not a viable option as the current system does not meet the demands of the borough, is time intensive and does not provide assurances to complete works in a timely manner.

4.2 Procure a framework agreement.

- The cost to procure a new DFG framework for the council would be excessive and would potentially increase existing risks to the council. Accessing an existing framework (e.g., Manchester Framework) is limited to the availability of existing Contractors/Suppliers (Providers) as well as the products available from when originally tendered. It does not allow for the admission of new Providers when the market or customers demanded as such. Overall frameworks deliver savings in terms of time and money.
- There are recognised benefits in the use of frameworks, however there are important limitations in terms of choice and compliance for DFGs as well as increased risk to be considered.

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5. Background

- 5.1 The Council is required, under the Equality Act 2010 and Care Act 2014, to make reasonable adjustments to meet identified needs of persons living in council properties. Additionally, the Council has a statutory duty to approve mandatory Disabled Facilities Grants (DFGs) for adaptations to the home environment to promote independence and keep people living in their own homes in safety and with dignity for longer. The legislation governing DFGs is the Housing Grants, Construction and Regeneration Act 1996. DFGs are mandatory and are available from Local Authorities in England and Wales, subject to a means test.
- 5.2 Private Sector Housing (PSH) manage the Disabled Facilities Grants (DFG) and adaptations for private tenure applicants. Currently the service has 170 open cases and a shortage of experienced Home Improvement Officers to process them.

- 5.3 The 4 contractors commissioned by the Council do not have the capacity to undertake all the work in a timely manner. The average installation time from referral to completion is now 323 days.
- 5.3 Currently when a referral is made to PSH this is populated on the CIVICA APP database. It is currently difficult to prioritise cases based on urgency, as the system only allows officers to handle cases by date order received. In addition, the Home Improvement Officers contact 3 of the contractors on the current list to obtain 3 quotations for every job. This is creating delays for applicants from the processing of their application to the approval stage and therefore having a further impact on installation timescales.
- 5.4 Monitoring contractors' performance is problematic utilising the current software as reporting is not comprehensive enough. Specifically, around unidentified trends such as the potential for contractors to exploit the system by quoting low prices and then requesting payment revisions for 'unforeseen works'. Monitoring timescales and contractor availability is also challenging. Also, there is an issue that contractors may advise they are available to obtain the work but potentially delay commencement.
- 5.5 In order to ensure value for money, avoid delay in delivery and reduce resource demand, a robust and modern and clear method of procurement is required for the authority to adopt.
- 5.6 Following an informative meeting held at Bolton at Home where a representative from Independence Community Interest Company (INCIC) attended, the Unit Manager for PSH arranged a meeting for INCIC to attend Bury. INCIC presented their Adaptation, Repair Maintenance and Improvement (ARMI) Dynamic Purchasing System (DPS) to representatives from Bury's Procurement and the Health and Adult Care department to enable further investigation and an options appraisal to be produced.

6. Independence Community Interest Company (INCIC) and ARMI Dynamic Purchasing System (DPS).

- 6.1 INCIC manages both Contractor/Supplier (Provider) compliance and procurement for this specialist market.
- 6.2 INCIC has been working with Plymouth City Council (PCC) to develop a Dynamic Purchasing System (DPS) for Adaptations. This system has since been adopted by 22 Local Authorities.
- 6.3 The DPS has been divided into 'Lots' (Categories) for each type of work that could be required for adaptations. Jobs are tendered through the system by

each participating authority, therefore providing opportunity in the market and seeking solutions at a local level.

- 6.4 INCIC is a TrustMark scheme operator offering full compliance for domestic consumers and support for authorities participating in the Dynamic Purchasing System. This includes the free provision of Trading Standards Approved Contracts for use by the customer and the provider, with support for providers with Construction Design and Management Regulations 2015 (CDM2015) compliance.
- 6.5 A DPS is a wholly electronic system of set duration which is established to purchase commonly used Goods, Services and Works. A DPS remains open throughout its duration for the admission of contractors/suppliers (Providers) who satisfy the selection criteria specified by the Contracting Authority (Council). This allows the authority to be more responsive to changes in customer demand and funding.
- 6.6 It will also be possible to introduce new products and not preclude customers from innovative solutions, as per any new or existing framework.
- 6.7 There is the provision of Key Performance Indicators (KPIs) to ensure a robust monitoring system and a methodology for providing good service to customers.
- 6.8 In addition to the DPS there is the ability to use the 'Plymouth Model', taking advantage of economies of scale. The 'Plymouth Model' was designed by Plymouth Council in 2007 and was further developed to provide their framework in 2014. Now updated it continues to be developed in partnership with INCIC in 2018. The Plymouth Model links trade rates, acceptable task times, material costs and overheads and profit to provide a fully priced schedule of standardised items. Competition is undertaken at the initial stages, therefore reducing time delays during the working of the DPS.
- 6.9 Utilising the 'Plymouth Model' and/or their own Schedule of Rates (SOR) via the DPS will allow the council to procure adaptations swiftly, ensuring compliance and standardisation. As the DPS is fully electronic, schedules can be produced on site in the customer's home and work ordered and managed.
- 6.10 The DPS is compliant with Procurement Contracts Regulations 2015 (PCR 2015) and has been advertised in The Official Journal of European Union (OJEU) and on the Contracts Finder (U.K Government) website.

7. Proposal for Bury's DPS- Adaptations, Repairs, Maintenance and Improvements

- 7.1 It is proposed that the DPS set up for Adaptations, Repairs, Maintenance and Improvements all relates to the home environment needs of the elderly and disabled communities. The DPS consists of 20 Lots as detailed below:

1. Bathroom Adaptations & Associated Building Works
2. Bathroom Adaptations & Associated Building Works including Design
3. Provision and Installation of Shower and/or Bathroom Cubical (Prefabricated Cubicles)
4. Hoists
5. Kitchen Adaptations & Associated Building Works
6. Kitchen Adaptations & Associated Building Works including Design
7. Minor Building Works
8. Ramps, Paths and Hard standing including Handrails
9. Stair lifts (Internal and External)
10. Through floor lifts (Internal)
11. External Mechanical Access Lifts (e.g. step lifts)
12. Disabled Living Equipment (e.g. raised WC seats, bath lifts etc.)
13. Disabled Living Equipment Requirements/Assessment
14. Assistive Technology Services
15. Door openers and entry systems
16. Major Adaptations Extensions, Conversions
17. Home Repair & Maintenance including handyperson service
18. Disabled Living Home Design Services
19. Occupational Therapy and Trusted Assessors Services
20. Case Management Service

7.2 This list of Lots provides the authority with a 'one stop shop' style procurement exercise on a case-by-case basis. The DPS offers a constant refresh of contractors and products and seeks response from the market to meet the need of elderly and disabled people.

7.3 Individual or packages of work can be awarded through the 'Lots' on the DPS via an online system that offers robust Consumer protection and insurance backed warranty of work.

7.4 INCIC will provide:

- Access to list of adaptation specialist contractors for both grant work and private work for Bury residents.
- Ensure compliance with relevant regulations, for example Construction Design and Management Regulations 2015 and the Consumer rights Act 2015.
- Insurance backed Warranties for customers.
- Pre-qualification, vetting and inspections and ongoing monitoring of providers with access to an electronic software platform to aid in contractor monitoring and ordering of works.
- Due diligence process to access the DPS providers via a pass selection criteria.
- Guidance and support to Contractor/Suppliers (Providers) to Local Authorities regarding ongoing compliance.

- 7.5 There is no upfront cost to access the DPS, nor minimum annual cost that the Council would be committed to. INCIC would be paid a management fee of 1% of the completed adaptation works total on a monthly basis in arrears. This would be at no cost to the Council as it is funded directly out of the clients grant funding. In effect the client is paying 1% of their grant allowance to benefit from a fully vetted and monitored list of contractors to undertake their works. However, they can still choose their own contractors should they wish, and they do not have to choose this option.
- 7.6 An Access Agreement would be required to be signed to allow the Council to access the DPS.
- 7.7 This procurement is compliant with Procurement Contracts Regulation 2015 (PCR 2015) and has already been advertised in Official Journal of European Union (OJUE) and on the U.K Government Contracts Finder website.
- 7.8 Opportunities to procure more widely would reduce the cost of adaptation works and thus enable the Council to help more people live independently in their own homes.

8. Capacity and Demand for Disabled Facilities Grants

- 8.1 The following table indicates the existing capacity and demand, number of cases and annual costs.

	2022-23	2023-2024 (up to 01/10/23)
Number of Open Cases for PSH	250 (backlog created by Pandemic)	170
Number of Referrals PSH	186	67 (OTs currently understaffed)
Number of Completed Cases PSH	70	44
Budget from MHCLG for PSH	£2.1m	£2.3m
Budget allocated to PSH for DFG	£2.1m	£2.1m (additional 200K will be received this year uncertain whether it will be allocated due to underspend)
Committed spend based on cases in the system not yet completed	£1.3m. (using an estimated 27% drop out rate)	£700k (based on an estimated 27% drop out rate) (does not include new referrals)
Actual Expenditure of PSH	£1,124,487 including capitalisation of salaries	£723,753 including capitalisation of salaries.

Cancellations	82 (12 income exceeded / didn't qualify, 24 no response from client/ no reason given, 10 chose to do the works themselves at own cost, 24 didn't want the works proposed by OT/HIO, 10 deceased during application processed, 1 inappropriate works, 1 works not completed due to client moving to care home.)	92 (9 incomes exceeded/ didn't qualify, 6 chose to do the works themselves at own cost, 19 didn't want the works proposed by OT/HIO, 49 no reason given/ no contact from client, 9 deceased during application process). Higher rate of cancellations this year due to ability to clear a lot of the backlog due to increased staffing levels.
Forecasted year end spend		Circa £1.5m (including salaries)
	2022-2023	2023-2024 (up to 01/10/23)
Number of Open Cases for STH	163	42 (12 of these are extensions)
Number of Referrals to STH	93	34
Number of Completed Installs (number of adapted houses STH)	100	47
Budget allocation from HRA for STH adaptations	800K	£800K
Committed estimated spend based on cases in the system not yet completed	1,050,168	£810,000 (without new referrals)
Actual Expenditure of STH	£973,353	£508,218
Forecasted year end spend		£798,684.72 (Plus submitted business request for additional £300K on top of this) (This includes salaries)

8.2 There is a need to change the process to ensure more clients are assisted in a timely manner and keep up with demands to the service and spent more of the 'in year' allocation of budget.

- 8.3 There is also the ability to use this DPS for disabled adaptation works to Council properties should Six Town Housing's New Works Team at Repairs Direct not have the capacity to take on new referrals or struggle with backlogs in work.
- 8.4 It is acknowledged that Six Town Housing's Repairs Direct are transferring to the Council in January 2024, therefore the potential for them to tender for some private sector adaptations jobs will be reviewed / considered in line with procurement guidelines.
- 8.5 The four existing contractors currently utilised will be able to sign up to this DPS should they wish and will be supported through the joining process.
- 8.6 There is also the ability to use the DPS for minor adaptations too.

9. Summary of Benefits to the use of INCIC DPS

- Reduced waiting times for the approval of works
- Reduced waiting times for the installation of adaptations
- Increases the capacity of Home Improvement Officers (they currently spend excessive time updating the existing CIVICA APP system which is in the process of being replaced with new database system IDOX in Q1/2 2024/25. Also design services can be procured for bathroom adaptations and kitchens enabling more time as a clerk of works, ensuring cases progress in a timely manner and dedicate their expertise to more comprehensive works.
- Ensures early intervention and proactive approach enabling PSH to provide assistance to the most critical first in accordance to Care Act duties.
- Streamlined communication between contractors, Home Improvement Officers and Occupational Therapists
- Improved complaint handling and reducing grievances due to delays.
- Improved and ongoing monitoring of contractors with independent assistance from INCIC
- Insurance back warranty for clients
- Legal support should contractors not meet their obligations.
- Less risk to the Council not delivering adaptations at the right time for residents in the community and patients discharged from Hospitals to their homes.

Links with the Corporate Priorities:

The approval of the DPS aligns itself to the 'Let's do it' principles, taking an enterprising approach and ensuing public service improvement working towards ensuring residents in the Borough will have a healthy life expectancy ensuring adaptations without delay.

Relevant elements that this service contributes to include:

Local

- Improve health and well-being by working with communities and residents.
- Higher quality provision, resulting in reduced waiting times for vulnerable residents, greater customer satisfaction, and improved outcomes for the health and care system in Bury.

Enterprise

- provide local employment opportunities as well as training and development for local volunteers, students and trainees.
- The DPS allows for any capable local suppliers to be signposted to gain access and the opportunity that may not be available to them if a larger/wider framework was procured based on volume and turnover criteria.

Together

- support people to live independently in their homes their own homes and communities as long as possible.

Strengths

- the provision of the DPS facilitates a system wide approach that can improve the effectiveness of treatment
- help early intervention or prevent the need for treatment and so ensuring the best use of resources.

Equality Impact and Considerations:

Please refer to Appendix 1 for Equality Analysis.

Environmental Impact and Considerations:

The environmental impact of this proposal will be managed and reported through ongoing contract management. This will also be considered as part of the accreditation process for prospective suppliers of works and materials. There will be due consideration through the service specification and will include appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions and to consider opportunities to enhance biodiversity.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
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<p>Current risk to the Council regarding poor performance of contractors/ current arrangements and not meeting statutory duties effectively.</p>	<p>INCIC act as intermediaries between clients and contractors should there be issues that the Home Improvement Officers or Unit Manager be unable to resolve.</p> <p>Key performance indicators will be outlined in the service specification and agreed with the provider.</p>
<p>Delays to adaptations due to the current requirement to obtain quotations.</p>	<p>INCIC ensures PSH are more likely to approve a grant and install in a timely manner.</p>
	<p>Reduces the risk of failure and litigation to the council as they have specialist knowledge and support.</p>
<p>Current lack of timely interventions for Adult and Childrens Social Care</p>	<p>Contract monitoring meeting will take place each quarter to review performance reports and contribute to the continuous development of the service, ensuring timely interventions for people. This includes people that are discharged from hospital settings and require minor adaptations to prevent hospital readmission.</p> <p>In addition, annual reviews will be required to be completed by the provider, to include feedback on contract outcomes.</p>

Legal Implications:

The use of the Independence CIC Dynamic Purchasing System developed with Plymouth Council is fully compliant with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules and is an efficient means of providing the Council with a wide range of pre-qualified contractors.

Financial Implications:

There are no financial implications for the Council in approving the recommendations within this report.

Appendices: Appendix 1: Home Improvement Agency SLA which includes the Minor Adaptations service

Appendix 2: HIA Contract 2010

Background papers:

None.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
ARMI	Adaptation, Repair Maintenance and Improvement
DFG	Disabled Facilities Grants
DPS	Dynamic Purchasing System
EIA	Equality Impact Assessment
GDPR	General Data Protection Regulation
HIO	Home Improvement Officer
HRA	Housing Revenue Account
INCIC	Independence Community Interest Company
OJEU	Official Journal of European Union
OT	Occupational Therapy
PCR	Public Contracts Regulations 2015
PSH	Private Sector Housing
SMEs	Small and Midsize Enterprises
STH	Six Town Housing