



To:
All members of the
Corporate Policy and Resources
Committee

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Date: 16 February 2023

Supplementary Agenda

Corporate Policy and Resources Committee - Monday, 20 February 2023

Dear Councillor

I enclose the following items which were marked 'to follow' on the agenda for the Corporate Policy and Resources Committee meeting to be held on Monday, 20 February 2023:

16. Disability Fund Grant Framework Approval

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Committee are ask to consider the report and make a recommendation to Council that they:

1. Authorise the Group Head of Community Wellbeing & Housing to enter a procurement exercise for a DFG Contractor Framework or Dynamic Purchasing System (DPS), and
2. Authorise the Head of Corporate Governance to execute the required documentation to conclude either a framework agreement or dynamic purchasing system (DPS) with suitable contractors as appropriate

Yours sincerely

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To the members of the Corporate Policy and Resources Committee

Councillors:

J.R. Boughtflower (Chairman)	R.O. Barratt	L. E. Nichols
A.J. Mitchell (Vice-Chairman)	J.T.F. Doran	R.J. Noble
M.M. Attewell	S.A. Dunn	O. Rybinski
I.J. Beardsmore	T. Fidler	J.R. Sexton
M. Beecher	S.C. Mooney	V. Siva

Substitute Members: Councillors: C. Bateson, C.F. Barnard, S. Buttar, J. Button, M. Gibson, H. Harvey, T. Lagden, D. Saliagopoulos, J. Vinson and S.J Whitmore

Corporate Policy & Resources Committee

20 February 2023



Title	<i>Disabled Facilities Grant (DFG) Contractor Framework Approval to commence procurement of a suitable contractor platform.</i>
Purpose of the report	To make a recommendation to Council
Report Author	<i>Stephen Mortimer-Cleevely – Strategic Lead Independent Living</i>
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	<i>Not applicable</i>
Corporate Priority	Service Delivery
Recommendations	<p>Committee is asked to recommend to Council that they:</p> <ul style="list-style-type: none"> • Authorise the Group Head of Community Wellbeing & Housing to enter a procurement exercise for a DFG Contractor Framework or Dynamic Purchasing System (DPS) • Authorise the Head of Corporate Governance to execute the required documentation to conclude either a framework agreement or dynamic purchasing system (DPS) with suitable contractors as appropriate
Reason for Recommendation	The existing DFG framework has lapsed, and the procurement of contractors on a case-by-case basis is resource intensive, and provides no consistency of performance in a critical service.

1. Key issues

- 1.1 The Council has a statutory requirement to consider applications for and make payment of Disabled Facilities Grants (DFG), under Part 1 of the Housing Grants, Construction and Regeneration Act 1996. The Regulatory Reform Order 2002 gave local authorities power to introduce policies around aids and adaptations which gives greater flexibility on how money could be used to keep residents living safely and independently in their own home. This change preceded a significant increase in the national budget for DFGs which for 2020/21 was £550m and for 2021/22 which was £573m. The anticipated annual budget for 2023/24 is £963m, and it is anticipated that this will be the approximate annual amount thereafter.
- 1.2 In order to support residents, the Council has used a contractor framework to facilitate compliant and timely access to pre-qualified contractors with the necessary experience and expertise in adaptations at agreed specifications and price.

- 1.3 The contractor framework has now expired, and officers have had to revert to a time consuming three quote system for all works to comply with the requirements of the contracts standing orders (CSOs) – the Council’s financial regulations. This is causing a degree of delay for residents and takes up significant officer time.
- 1.4 In the current market, sourcing sufficient competent and available contractors’ availability is causing delays to the execution of the DFG works. In addition, the use of non-approved sub-contractors has had an impact on the quality of work.
- 1.5 Whilst the previous contractor framework satisfied the requirement for financial compliance and a faster route to market, the nature of such platforms means that, should the market change during the life of a framework, the Council has little flexibility if contractors are unavailable or too costly.
- 1.6 For this reason, the project team is considering other, more responsive options to meet the longer-term need in a highly volatile market.
- 1.7 The total value of the proposed solution over a four year duration would be £3.772m.

2. **Options analysis and proposal**

- 2.1 The Committee is asked to choose one of the following options, with option 1 being the recommendation:

1. Authorise the Group Head of Community Wellbeing and Housing to commence a procurement exercise for either a DFG Contractor Framework or a Dynamic Purchasing System, noting that the project team shall consider the relative merits of each platform, and procure according to the most suitable (Recommended).

Analysis: Procurement of a framework will take approximately 6 months, but thereafter will provide suitable contractors in a timely, compliant and quality manner, saving significant time for officers and providing a responsive service for our residents.

Procurement of a DPS can be undertaken in a much shorter period but still requires competition between contractors. The value of the DPS depends on the contract length and is circa £943k pa. The value of a framework agreement would be limited to the 4-year duration and would therefore be £3.772m.

Once procured, the decision to conclude the framework or DPS would need to be approved by Council.

The relative benefits and disadvantages of each platform DPS and framework can be found at Appendix A.

2. Do Nothing: Allow the current situation to continue – i.e. a lapsed framework and seek three competitive quotes for every adaptation (Not Recommended)

Analysis: This option bears significant additional cost and time for Spelthorne Borough Council in relation to officer time and delays for residents.

3. **Financial implications**

- 3.1 Currently rising costs and limited price control through tendering without a framework offers poor value for money and less funds to spend through DFG on applicants. It is critical that the DFG monies are spent in the most cost-effective way, taking the whole life cost of service provision into account. The selection of the most suitable Procurement route will be carefully considered by the project team.

4. **Procurement Considerations**

The project team is supported by Corporate Procurement to enable full consideration of the most suitable contractor delivery platform.

5. **Equality and Diversity**

- 5.1 The provision of a dynamic framework enables the Council to maximise the number of contractors at the best price ensuring equity for residents who are eligible for a Disabled Facilities Grant.

6. **Sustainability/Climate Change Implications**

- 6.1 A framework solution will minimise the amount of both paper communications in terms of quotes and responses and often significant journeys incurred by council officers when negotiating in relation to job specifications that are not previously pre agreed using a framework option.

7 **Risks**

- 7.1 There is a risk of additional extra cost continuing without an active framework and the additional administration which effectively delays decision making and ultimately the time taken to deliver adaptations. Ultimately reducing the Councils ability to deliver adaptations in a timely manner.

8 **Timetable For Implementation**

- 8.1 Corporate Procurement is currently preparing a draft tender pack, and is working closely with the project team to consider the best procured solution for the needs of the Independent Living team. Once this decision has been made, Procurement will take the requirement to market. There are a small number of adaptation specific contractors and a wider pool of general builders /trades who are potential DPS / framework suppliers. We envisage the new DPS / framework will be in place in the summer of 2023.

Background papers: There are none.

Appendices:

Appendix A – Relative benefits and Disadvantages of a DPS vs a Framework Agreement

Appendix A – Relative benefits and Disadvantages of a DPS vs a Framework Agreement



DYNAMIC PURCHASING SYSTEM (DPS)	IMPLICATION	FRAMEWORK	IMPLICATION
<i>Suppliers can join at anytime</i>	<i>Can include additional providers at any time, allowing for market fluctuation / dropouts</i>	<i>Suppliers can join within a limited application window</i>	<i>Reduced market, limited to only the successful providers at the point of framework conclusion. Doesn't allow for market volatility / dropouts</i>
<i>No direct award of contracts</i>	<i>There still needs to be a mini-tender of suitable contractors. Benefits – VFM Disadvantage – time consuming</i>	<i>Buyers can direct award (sometimes)</i>	<i>A contractor can be selected for a direct award contract. Benefit – less time taken Disadvantage – no evidence of VFM</i>
<i>Pricing determined at the contract award stage</i>	<i>Prices are real time and reflect market fluctuations</i>	<i>Pricing fixed at the point of tender</i>	<i>Whilst this gives some certainty, if the prices are fixed for the length of the framework, they will accommodate prices rises from the start</i>
<i>Unlimited suppliers may join</i>	<i>Allows for additions who can demonstrate greater</i>	<i>Number of suppliers decided before procurement</i>	<i>A reduced, ring-fenced market</i>

	<i>capability and potentially value for money</i>		
No limit to how long the DPS can run	Reduced requirement to tender	Maximum four years	Must be retendered every 4 years