

# Council

23 February 2023



<b>Title</b>	<i>Disabled Facilities Grant (DFG) Contractor Framework Approval to commence procurement of a suitable contractor platform.</i>
<b>Purpose of the report</b>	To make a decision
<b>Report Author</b>	<i>Stephen Mortimer-Cleevely – Strategic Lead Independent Living</i>
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	<i>Not applicable</i>
<b>Corporate Priority</b>	Service Delivery
<b>Recommendations</b>	<b>Council is asked to:</b> <ul style="list-style-type: none"><li>• Authorise the Group Head of Community Wellbeing &amp; Housing to enter a procurement exercise for a DFG Contractor Framework or Dynamic Purchasing System (DPS)</li><li>• 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</li></ul>
<b>Reason for Recommendation</b>	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**