

NORTH LINCOLNSHIRE COUNCIL

**HOUSING AND STRATEGIC PLANNING
CABINET MEMBER**

PROCUREMENT OF DISABLED FACILITIES GRANT WORKS

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To report the start of a procurement exercise for disabled facilities grant works.
- 1.2 The key points in this report are as follows:-
 - There is a pressing need to both improve the quality and reduce the cost of disabled facilities grant works.
 - It is proposed to set up a framework agreement to provide four types of adaptations, namely -
 - Access ramps
 - Stair and through floor lifts
 - Level access showers
 - Property extensions to provide bathing or bedroom facilities
- 1.3 Provision has been made to include Hull City Council and North East Lincolnshire Council for some or all of the above elements.
- 1.4 A European Union compliant procurement process will be used to set up the framework.

2. BACKGROUND INFORMATION

- 2.1 The council has a budget of £1,148,000 to provide grants to fund adaptations to the homes of disabled people so that they can live as independently as possible.
- 2.2 The government provides a 60 per cent subsidy up to a maximum of £553,000 towards the cost of these grants.
- 2.3 The demand for disabled facilities grants is at least three times the amount of funding available so there is a pressing need to make sure that the work is carried out as economically as possible.
- 2.4 The government controls the award of disabled facilities grants through specific legislation and statutory guidance.
- 2.5 To date grant works have been tendered on an individual basis to achieve value for money.

- 2.6 This approach is no longer satisfactory. It does not allow contractors to achieve savings through the economies of scale they could achieve with some guarantee of the quantity of work they might receive. A longer term relationship would allow them to invest appropriate resources and develop higher standards of workmanship.
- 2.7 It is proposed to set up a procurement exercise in partnership with North East Lincolnshire Council and Hull City Council to see if financial savings and improvements in quality can be achieved by elemental partnering arrangements.
- 2.8 An informal market day was held at Normanby Park on 21 December 2007. Over 60 potential providers including third sector organisations were invited to hear about the council's proposals for the contract packages outlined above. Staff were also present from referral and support organisations. The response was positive.
- 2.9 Formal notice inviting expressions of interest is being posted in the Official European Journal.

3. OPTIONS FOR CONSIDERATION

- 3.1 Option 1 - to retain the system of tendering individual adaptations.
- 3.2 Option 2 – to explore the potential of elemental partnering arrangements for achieving savings and improving quality.

4. ANALYSIS OF OPTIONS

- 4.1 Option one - individually tendering disabled facilities grants has led to inconsistent prices and quality of jobs. Contractors have not seen it as a main area of business and disabled people have not always received the standard of work they should have.
- 4.2 Option two - by offering a larger quantity of work economies of scale should be achieved and contractors will have chance to transfer expertise from one job to another. This should produce a better quality of work overall.
- 4.3 Option two is the preferred option as offers the prospect of a better standard of adaptation work being provided.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 The government has issued guidance "Delivering Value for Money in Local Government: Meeting the challenge of CSR07" setting a target of 3% savings year on year.
- 5.2 At present some architectural services, particularly for property extensions, are outsourced. This procurement exercise may achieve savings if these become part of the partnering arrangements.

5.3 The value of the work means that European Union procurement rules apply.

6. **OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 CRIME AND DISORDER, RISK AND OTHER)**

6.1 The purpose of disabled facilities grants is to enable people with disabilities to live as independently at home as possible.

7. **OUTCOMES OF CONSULTATION**

7.1 Potential contractors were invited to an industry day on 21 December 2007 to discuss the structuring of the proposed procurement exercise. The event was well received and the contractors agreed that splitting the work into access ramps, stair and vertical lifts, level access showers and extensions was the best arrangement. This will enable small and medium enterprises to get involved.

7.2 Representatives from adult services, children's services, the integrated occupational therapy service and North Lincolnshire Homes have agreed to join the evaluation panel for the procurement exercise.

8. **RECOMMENDATIONS**

8.1 That the Cabinet Member supports the procurement exercise.

SERVICE DIRECTOR NEIGHBOURHOOD AND ENVIRONMENT

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Background papers used in the preparation of this report

None