

Cabinet Meeting		Agenda Item: 5
Meeting Date	8 October 2014	
Report Title	Staying Put Contractor Framework	
Cabinet Member	Cllr Wright, Cabinet Member for Housing Cllr Dewar-Whalley, Cabinet Member for Finance	
SMT Lead	Pete Raine, Director of Regeneration	
Head of Service	Amber Christou, Head of Housing and Health	
Lead Officer	Jo Purvis, Strategic Housing and Health Manager	
Key Decision	Yes	
Classification	Open	
Forward Plan	Reference number:	
Recommendations	<ol style="list-style-type: none"> 1. Cabinet agrees to extend the Staying Put Contractor Framework for a further six months from the framework end date of October 2014. 2. Cabinet agrees to procure a new three and a half year Contractor Framework Agreement for Staying Put. 	

1 Purpose of Report and Executive Summary

- 1.1 This report seeks approval to waive the existing requirement to procure a new Staying Put Contractor Framework and extend the existing framework for six months and procure a new three and a half year Framework Agreement, starting in April 2015.

2 Background

- 2.1 Staying Put is the Council's in-house Home Improvement Agency, which provides adaptations and repairs within the homes of elderly and vulnerable residents across the Borough. The service manages a Contractor Framework for the delivery of works funded primarily through Disabled Facilities Grants (DFGs). The current Framework started in October 2011 and consists of 17 contractors.
- 2.2 The Framework operates as a preferred supplier list for physical works carried out in people's private homes. Works undertaken through the Framework include major adaptations to properties, such as the installation of flush-floor showers; work to prevent falls, such as the installation of grab rails; work to enable people to be discharged from hospital, such as moving bedrooms downstairs; and other minor works and adaptations to a property, such as installing wheelchair ramps or clearing rooms where hoarding has been taking place.

- 2.3 Works undertaken are funded through a variety of sources, including DFGs, home repair loans, funding provided by Swale Clinical Commissioning Group, and residents directly funding works themselves.
- 2.4 The value of the current Framework Agreement is an estimated £350,000 per annum. The value and types of works undertaken through the Framework over the last three years is set out below:

	DFG works	Hospital discharge and prevention	Repairs/ loans/ private	TOTAL
2011/12	350,000	26,927	11,304	376,927
2012/13	400,000	12,554	55,243	467,797
2013/14	416,980	37,738	97,655	552,373
TOTAL	£1,166,980	£77,219	£164,202	£1,397,097

- 2.5 The current Framework value was set based on the estimated level of DFG works to be carried out through the Framework. Since then there has been a growth in other small works undertaken, such as repairs and adaptations. The new Framework Agreement will reflect this, and so will be advertised with an approximate value of £500,000 per annum. The total value of the Framework over the life of the contract will be £1,750,000.

3 Proposals

Waiver

- 3.1 Staying Put aims to be a self-funded service. Core costs of Staying Put, including staff, are currently funded through a contractual arrangement with KCC. The contract with KCC provides £57,000 per year for three years to fund core costs, and is due to expire in September 2015.
- 3.2 Future funding from KCC beyond this point is currently uncertain and cannot be guaranteed. Due to this uncertainty, it is proposed that the existing Contractor Framework, which is due to expire at the end of October 2014, is extended for an additional six months, taking it up until the end of April 2015. By this point, it should be clear how or if, Staying Put will continue to be funded, either externally or internally.
- 3.3 Utilising a waiver will enable works to continue to be undertaken using the existing contractors on the Framework Agreement. Works will continue to be costed at the rates set in the Agreement.
- 3.4 The value of the six month extension of the current Framework is estimated at £175,000.

New Framework

- 3.5 Between now and April 2015 a procurement exercise will be undertaken to put a new Contractor Framework Agreement in place to start from April 2015. The proposed length of time for the Framework is three and a half years, to bring it in line with expected future external funding, which tends to run from September – September.
- 3.6 The proposed value of the new Framework is estimated at £500,000 per annum. The Framework will be advertised on the same terms as the existing Framework, with no guarantee of income for the contractors.
- 3.7 The new Framework will contain explicit reference to other works beyond those funded by DFGs, and will be divided into three lots:
- Lot 1: DFG physical works – i.e. shower room conversions, external ramping;
 - Lot 2: Hospital discharge works – i.e. lowering doorsteps for wheelchair access, bringing bedrooms downstairs. This is urgent work that will need to be completed to strict timescales; and
 - Lot 3: Repairs – any other repairs to homes.
- 3.8 Organisations will be able to bid for any or all of the lots. It is anticipated that the separating of the Framework into specific lots will encourage smaller firms to bid and increase the number of preferred suppliers able to provide hospital discharge and small repairs works, as there are only a few on the existing Framework.
- 3.9 As the Framework relates to works and has a value of less than £4.3m, the EU procurement rules do not apply, and there is no requirement to advertise the opportunity in the Official Journal of the European Union.

Localism

- 3.10 The new Framework will provide a great opportunity for local businesses and will be specifically marketed at them. As well as being advertised through the South East Procurement Portal, Economic and Community Services will contact all relevant local organisations to make them aware of the opportunity.
- 3.11 The inclusion of specific lots on hospital discharge and repairs is designed to encourage more local small and medium-sized businesses to apply for, and be successful in getting onto, the Framework.

4 Alternative Options

- 4.1 The existing Framework could be allowed to come to an end without a waiver or a new Framework Agreement being put in place. This would mean that any works would need to be procured using the Council's Standing Orders approach to

procurement, ie quotes would need to be sought for each work undertaken, which would be time-consuming and potentially more costly. Each year, around 150 jobs are put through the Framework Agreement; seeking quotes for each of these would be a time-consuming process, which could potentially incur delays for the customer.

- 4.2 In addition, rates for individual types of works are fixed under the Framework Agreement, meaning that the Council knows the costs of works for the lifetime of Agreement and that they are competitive, providing better value for money for the customer and taxpayers. If the Council were to seek quotes for each individual work, there would be less control over costs.
- 4.3 If no or reduced funding is forthcoming from KCC for next year, the Council may choose to fund the core costs of Staying Put directly, using specific existing earmarked reserves.
- 4.4 Alternatively, the Council may decide to close the service. If the service were to be closed, Lot 1 of the new Contractor Framework will still be required to enable the delivery of Disabled Facilities Grant works within the Borough, but will need to be managed by another part of Housing and Health Services.

5 Consultation Undertaken or Proposed

- 5.1 Customer satisfaction surveys are carried out following works being undertaken. Customer feedback from previous clients will be used to inform the specification for the new Framework.

6 Implications

Issue	Implications
Corporate Plan	Both the existing and new Framework support the Corporate Priorities of Embracing Localism and Open for Business by providing opportunities for local small businesses. They also support the Corporate Priority of Healthy Environment by contributing to the local health agenda, and minimising the impact of private housing on health.
Financial, Resource and Property	The value of the six month extension of the current Framework is estimated at £175,000. The estimated value of the new Framework will be £1,750,000.
Legal and Statutory	The nature of the works carried out under this agreement fall under the activities listed in Schedule 2 of the Public Contracts Regulations 2006, constituting Works within the meaning of the 2006 Regulations. The approximate value of the proposed extension to the existing framework agreement is £175,000 plus VAT for a period of six

	<p>months. The total value of works over a four year period has been estimated at £1,750,000.</p> <p>Using the total value over four years, the estimated value is below the threshold for Works, pursuant to the Public Contracts Regulations 2006 (currently £4,322,012) and therefore falls outside the scope of the European procurement regime. As a result, it is intended for a waiver, pursuant to Paragraph 13.1.1 of the Contract Standing Orders, to apply as the agreement is <i>“not subject to the EU rules and the work is required as a matter of urgency and a delay would be likely to lead to financial loss, personal injury or damage to property.”</i></p>
Crime and Disorder	None identified at this stage
Sustainability	None identified at this stage
Health and Wellbeing	The works carried out under the existing and new Frameworks will have a positive impact on the health and wellbeing of elderly and disabled residents across Swale. Works undertaken will provide adaptations and home improvements that will make residents’ homes safer and help them to live in their own homes for longer rather than either staying in hospital or moving into residential care.
Risk Management and Health and Safety	<p>The existing arrangements have been in place for three years; therefore the risk associated with the current arrangements have been identified and can continue to be managed.</p> <p>For the new Framework, the management of financial and operational risks, including health and safety, will be considered as part of the Council’s agreed procurement processes. Successful organisations will be required to ensure that they comply with minimum health and safety standards and adhere to the Council’s Health and Safety Policy. Responsibility for health and safety of contractors will remain with the contractor organisation.</p>
Equality and Diversity	<p>The existing and new Framework actively support elderly and disabled residents within Swale, by helping them to live in their own homes for longer.</p> <p>For the new Framework, tendering organisations will be asked to confirm their commitment to comply with the Equalities Act 2010 around discrimination. They will also be checked to ensure that they have not been found guilty of any unlawful discrimination or been subject to a formal investigation by the CEHR within the preceding three years.</p> <p>These proposals do not envisage any change in the level of service provision to residents with particular protected characteristics (age, disability) and therefore does not require a formal impact assessment.</p>

7 Appendices

7.1 none.

8 Background Papers

8.1 None.