

Report of Head of Housing Support

Report to Director of Environment and Housing

Date: 20 March 2014

Subject: Contract Arrangements for Private Sector Housing Adaptations (DFG)

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Disabled Facilities Grants (DFGs) are a mean tested mandatory grant for the provision of adaptations/other alterations that help disabled people to live independently in their own homes. Disabled people who own their homes, are private tenants or rent their home from a housing association are eligible for a DFG. The assessment of eligibility, need and practicability is carried out by the Health and Housing Service within Housing Leeds – Strategic Housing.
2. The Health and Housing Service currently commissions a number of external organisations to supply and install approved adaptation schemes. The 2014/15 budget for DFG works is £5.502m. Private sector adaptations are currently supplied and installed by a number of external contractors; with these often being local companies. It is proposed that a proportion of installation works is delivered through internal service providers (ISPs: Civic Enterprise and Construction Leeds) in 2014/15. The conditions of this arrangement are that the ISPs have the capacity to carry out this work within requisite timescales, value for money (in comparison to the external suppliers) is achieved and that installation work is carried out in-house; there is no sub-contracting of installation work to external contractors.
3. A number of existing external contract arrangements, pending competitive tendering work being concluded, are renewed, extended or maintained.

Recommendations

1. Approve the proposal to add the ISPs (Civic Enterprise and Construction Leeds), subject to the conditions set out in paragraph 2, as private sector adaptation contractors. This is in accordance with CPR 3.1.4. This arrangement would be effective from 1 April 2014.
2. Waive CPR 9.1 and extend contract arrangements with Stannah Lift Services until 1 April 2015.
3. Waive CPR 9.1 and extend contract arrangements with the primary contractors until 30 September 2014.
4. To maintain existing contract arrangements with Secondary Contractors.
5. Invoke CPR 21.1 and extend contract arrangements with Easiaccess until 1 February 2015.
6. To maintain current contract arrangements with specialist lift providers until February 2015.

1. Purpose of the Report

- 1.1. To approve the proposal to add the ISPs (Civic Enterprise and Construction Leeds), subject to the conditions set out in paragraph 2, as private sector adaptation contractors. This is in accordance with CPR 3.1.4. This arrangement would be effective from 1 April 2014.
- 1.2. To approve a waiver to CPR 9.1 and extend contract arrangements with Stannah Lift Services until 1 April 2015.
- 1.3. To approve a waiver to CPR 9.1 and extend contract arrangements with Primary Contractors until 1 January 2015.
- 1.4. To maintain existing contract arrangements with Secondary Contractors.
- 1.5. To invoke CPR 21.1 and extend contract arrangements with Easiaccess to 1 February 2015.
- 1.6. To maintain contract arrangements with specialist lift providers until February 2015.

2. Background Information

- 2.1. Disabled Facilities Grants (DFGs) are means tested mandatory grants that cover the cost of major adaptations/other property alterations to help disabled people live independently by creating accessible living environments. Disabled people, or whose family, are home-owners, private or housing association tenants are eligible to apply for DFGs. Adaptations for council tenants are funded through the Housing Revenue Account (HRA). Major adaptations are defined as costing over £1k with the maximum DFG grant being £30k. The £30k cap is potentially relaxed for disabled children with the additional cost being shared by Statutory Housing Services and Children's Services.
- 2.2. The legal framework relating to DFGs is set out in Part 1 of the 1996 Housing Grants Construction and Regeneration Act. In determining eligibility for a Disabled Facilities Grant, the local housing authority must be satisfied, under section 24 (3) of the Act, that the 'relevant works' are 'necessary and appropriate' to meet the needs of the disabled occupant and it is 'reasonable and practicable' to carry out the works having regard for the age and condition of the housing to which the works will be carried out. Section 24 (3) also obliges a local housing authority to 'consult' with the 'social services authority' in respect of assessing whether the 'relevant works' are 'necessary and appropriate' to meet the needs of the 'disabled occupant'. An Occupational Therapist, employed by Adult Social Care or Children's Services, determines whether adaptations are 'necessary and appropriate'.
- 2.3. Strategic Housing Services, through the Health and Housing Service, has overall responsibility for managing DFGs in Leeds City Council. Health and Housing surveyors determine whether adapting a disabled person's home is 'reasonable and practicable' by drawing up a scheme of works, where appropriate making planning applications, tendering the works to an approved set of contractors and

then overseeing the works process to ensure they are carried out satisfactorily, to budget and deliver an accessible living environment for the disabled person. The Health and Housing Service is also responsible for confirming the disabled person's legal interest in the property to be adapted, their grant eligibility and payments to contractors.

- 2.4. The assessment of adaptation need is part of a wider housing options service. The Health and Housing service needs to consider whether moving to alternative accessible housing, perhaps through a relocation payment and/or priority award for re-housing, is a better option than adapting a person's current home. The service also needs to consider other issues relating to the sustainability of the current housing, which are relevant to a decision to adapt a property, such as the affordability of mortgage or rent commitments or the remaining period, with the likelihood of extension, of an assured shorthold tenancy.
- 2.5. Disabled applicants living in their own homes, private rented or housing association tenancies have the option of drawing up their own adaptation scheme and/or using their own contractors: 'preferred schemes'.
- 2.6. The proposals set out in this report reflect and are a result of the development of a Category Management Plan for Housing Adaptations which covers both private and public sector adaptations. One of the aims of the plan is to promote greater consistency of approach across both sectors. Nevertheless, a decision has been taken to submit a separate report for private sector adaptations in order to confirm the operational relationship between Health and Housing, as the service assessing the eligibility, need and practicability of carrying out adaptations, and Civic Enterprise and Construction Leeds as internal services installing the approved schemes. The relationship between Civic Enterprise and Construction Leeds is different in respect of council housing adaptations and this can be set out in a separate report.

3. Main Issues

- 3.1 The intention is to develop a mixed economy of suppliers to deliver approved adaptations work in the private sector. Civic Enterprise and Construction Leeds have indicated that it can install approved adaptation schemes in the private sector and therefore CPR 3.1.4, to use an Internal Service Provider (ISP) if available, is engaged.
- 3.2 It is proposed that Civic Enterprise and Construction Leeds will be added to list of contractors that can carry out approved works in 2014/15 with this arrangement starting on 1 April 2014. Capacity to carry out the works is a key consideration for both Health and Housing and ISPs and it is envisaged that there will be an incremental build-up of work over the course of the year. The needs of disabled people are paramount to the new arrangements and it is vital that works are completed swiftly. The Health and Housing service is accountable for the legal duties relating to private sector housing adaptations and has committed to meeting specific target timescales for works to be completed.

- 3.3 The proposals set out in this report seek to find a balance between supporting ISPs, external (often local) contractors and ensuring that value for money is achieved for the DFG budget. It is therefore proposed that, with the exception of the purchase of products and some specific works, Civic Enterprise/Construction Leeds will directly carry out works rather than sub-contracting to external suppliers. The proposals set out in the report entail Health and Housing having contract arrangements with such external suppliers and can source works through them directly.
- 3.5 Civic Enterprise and Construction Leeds will provide Health and Housing with prices to be charged for standard work and the assumption is that this will be broadly competitive in respect of prices charged by external suppliers.
- 3.6 The operational relationship between Health and Housing and Civic Enterprise/Construction Leeds will be set out and underpinned by a Service Level Agreement between both parties.
- 3.7 This report deliberately does not set out values by types of work; there is a budget of £5.502m in 2014/15 for private adaptation schemes.
- 3.8 **Primary Contractors:** it is proposed to extend the current arrangements with primary contractors, waiving CPR 9.1, to 31 March 2014, with a nine month extension to 1 January 2015; pending a competitive tendering exercise to be completed. A to be determined proportion of work will be sourced through Civic Enterprise and Construction Leeds. The conditions are that works sourced to Civic Enterprise are carried out in-house (rather than being sub-contracted to the same primary contractors that Health and Housing can contract with directly) and a value for money price is given. The existing terms and conditions will apply to the contract extension with primary contractors; although a price reduction has been negotiated on wet floor showers that could generate an efficiency saving of up to £200k per year.
- 3.9 **Secondary Contractors:** it is proposed to maintain the existing contract arrangements with Secondary Contractors with Civic Enterprise and Construction Leeds being added as new options for sourcing works from. Consideration will also be given to adding new external contractors, subject to meeting requisite criteria, to the pool of secondary contractors. The secondary contractor arrangements relate to the delivery of 'non-standard' works such as property extensions and major property reconfigurations. It is considered vital that the Health and Housing has a mixed economy in relation to 'non-standard' works as property extensions given the housing need that necessitates the works being carried out, the expertise of long standing contractors and the timescales involved in completing works. Disabled people often decide to draw up their own scheme/use their own contractors, under the 'preferred scheme' option, for property extensions and major property reconfigurations. Such schemes can be challenging and it is vital that Health and Housing, which is the service primarily responsible for the legal duties relating to private sector housing adaptations, monitors scheme progress.
- 3.10 **Stair Lifts:** The Health and Housing Service uses Stannah to supply and fit stair lifts. The current contract arrangement with Stannah expired on 27 July 2013. It is proposed to seek a retrospective waiver, under CPR 9.1, to extend the existing

contract arrangements with Stannah until 1 April 2015. Stannah will continue to supply and fit stair lifts.

3.11 **Modular Ramps:** The Health and Housing Service currently sources modular ramps through Easiaccess. The current contract with Easiaccess expired on 31 January 2014 with an option to extend for a further 12 months. It is proposed to retrospectively invoke, under CPR 21.1, the final year of the contract with Easiaccess. Easiaccess will continue to supply and fit modular ramps and it is envisaged that Civic Enterprise and Construction Leeds will be available to fit ramps that are supplied by Easiaccess.

3.12 **Specialist Lifts:** There are existing contract arrangements with three specialist national providers (Pollock Lifts, Terry Lifts and Wessex Lifts) that expire in February 2015. These arrangements will be maintained pending a competitive tendering exercise being carried out.

4. Corporate Considerations

4.1. Consultation and Engagement

4.1.1 No specific consultation has been carried out with disabled people relating to the proposals set out in the report. Each DFG application is assessed on its individual merits with accompanying consultation and engagement with the applicant. Applicants are advised of their right to have a 'preferred scheme' including the use of their own contractors.

4.2. Equality Diversity Cohesion and Integration

4.2.1. Adaptations are designed to create an environment where disabled people are able to live independently and to exercise greater choice and control over their housing options. An equality, diversity, cohesion and integration screening exercise has been carried out and is appended to this report.

4.3. Council Policies and City Priorities

4.3.1. The delivery of adaptation services makes an important contribution to the strategic vision of making Leeds the best city for health and wellbeing and the priority of supporting more people to live safely in their own homes.

4.4. Resources and Value for Money

4.4.1 There is sufficient budget resource (£5.502m) to meet anticipated demand for private sector housing adaptations in 2014/15 and therefore to fulfil the Council's legal obligations in respect of this service area.

4.4.2 The proposals set out in this report seek to find a balance between supporting ISPs, external (often local) contractors and ensuring value for money in use of the DFG budget.

4.5. Legal Implications, Access to Information and Call In

4.5.1. The proposals set out in this report reflect the legal framework relating to private sector housing adaptations set out in Part 1 of the 1996 Housing Grants Construction and Regeneration Act and the Regulatory Reform (Housing Assistance) Order 2002.

4.5.2. The report contains no confidential information.

4.5.3. The proposals set out in the report are subject to call in as a key decision.

4.6. Risk Management

4.6.1 The needs of disabled people who require housing adaptations to maintain an independent living situation are the paramount consideration in this report. There is a risk that adaptation schemes are delayed and the Council fails to fulfil its statutory obligations. It is therefore important that new contract arrangements for external contractors are put in place by the end dates of the current contracts. The use of the two ISPs is partly dependent upon them having the capacity to carry out works with requisite timescales and this will be monitored on an on-going basis.

5. Conclusion

5.1 The report sets out a series of proposals to source private sector housing adaptation work in 2014/15. The proposals represent a mixed economy using ISPs, external (often local) contractors and to deliver value for money in respect of the use of the DFG budget. The expectation is that, with the exception of purchase of products, work sourced to Civic Enterprise and Construction Leeds will be carried out in-house rather than sub-contracted to external suppliers. Civic Enterprise and Construction Leeds will provide Health and Housing with prices charged for standard works.

6. Recommendations

- 6.1 Approve the proposal to add the ISPs (Civic Enterprise and Construction Leeds), subject to the conditions set out in paragraph 2, as private sector adaptation contractors. This is in accordance with CPR 3.1.4. This arrangement would be effective from 1 April 2014.
- 6.2 Waive CPR 9.1 and extend contract arrangements with Stannah Lift Services until 1 April 2015.
- 6.3 Waive CPR 9.1 and extend contract arrangements with the primary contractors until 1 January 2015.
- 6.4 To maintain existing contract arrangements with Secondary Contractors.
- 6.5 Invoke CPR 21.1 and extend contract arrangements with Easiaccess until 1 February 2015.

6.6 To maintain contract arrangements with specialist lift providers until February 2015.

7 Background Papers

7.1 Service Level Agreement between Health and Housing and Civic Enterprise.