

# Birmingham City Council

## Report to Cabinet Member(s) Health & Social Care and Finance & Resources

16 March 2023



**Subject:** STAYING INDEPENDENT AT HOME ADAPTATION AND IMPROVEMENT SERVICE PROCUREMENT STRATEGY

**Report of:** Professor Graeme Betts CBE  
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**Relevant Cabinet Member:** Cllr Mariam Khan - Health and Social Care  
Cllr Yvonne Mosquito - Finance and Resources

**Relevant O & S Chair(s):** Cllr Mick Brown - Health and Social Care  
Cllr Akhlaq Ahmed - Resources

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:		

## **1 Executive Summary**

- 1.1 This report is to obtain approval to the strategy and seek authority to proceed with the procurement of the Staying Independent at Home Adaptation and Improvement Service to deliver the assistance detailed within the Staying Independent at Home Policy. The contract agreement will be for a period of 5 years commencing on the 1<sup>st</sup> July 2023, with an option to extend for a further period of 2 years, subject to satisfactory performance and budget availability. The estimated value of the contract based on forecast data is £84m (£12m per year) funded from the Disabled Facilities Grant.

## **2 Recommendations**

- 2.1 That the Cabinet Members for Health and Social Care, and Finance and Resources:
  - 2.1.1 Approve the contents of this report in order to implement the strategy and the commencement of procurement activity for Staying Independent at Home Adaptation and Improvement Service in accordance with the requirement and approach set out in paragraph 3.9.
  - 2.1.2 Note that the outcome of the procurement process will be reported to Cabinet together with a recommendation for approval of contract award.

## **3 Background**

- 3.1 In March 2022 Cabinet approved the Staying Independent at Home (SIAH) Policy and the widening of the assistance that would be available to citizens. Approval of the Commissioning and Procurement Strategy was delegated to the Cabinet Members for Health and Social Care and Finance and Resources.
- 3.2 The SIAH Policy sets out the assistance that the Council will provide in response to duties and powers arising from three key pieces of legislation: The Care Act 2014, The Housing Grants, Construction and Regeneration Act 1996 and the Regulatory Reform Order (RRO) 2002.
- 3.3 As well as the mandatory Disabled Facilities Grants the exercise of discretionary powers through the RRO, the policy commits to achieving the following objectives:
  - 3.3.1 Supporting disabled citizens to secure necessary adaptations which cost more than the maximum (£30k) allowed under the Disabled Facilities Grant. These will be known as Top Up Grants.
  - 3.3.2 Securing prompt discharge from hospital of citizens who might, due to accommodation difficulties, otherwise remain in hospital longer than necessary. This will be known as Discharge Assistance
  - 3.3.3 Addressing accommodation difficulties which, if not resolved, might lead to an avoidable admission to hospital, or residential care or which impact upon the ability of a citizen to live safely and independently at home. This will be known as Independent and Safe Assistance

3.4 In order to meet the demands of the citizens a different approach is required to ensure that services can be delivered to meet both mandatory and discretionary assistance.

3.5 There are currently a range of services being provided that are due to expire on the 30<sup>th</sup> June 2023, these are related to the future service model and these are:

- Minor Adaptations
- Major Adaptations – Lots 1 (lifting equipment) and 2 (bathrooms and kitchens)
- Key Safes

### 3.6 Outcomes Expected

3.6.1 The following outcomes are anticipated as a result of the proposed procurement process to be carried out:

- Increase in the number of citizens that can receive support through the widening of the assistance available
- Reduction in the length of time for certain works with improved access to assistance
- Reduction in the number of citizens who are stuck in hospital as a result of their home not being accessible or meeting their needs

### 3.7 Market Analysis

3.7.1 A market engagement event took place on the 17<sup>th</sup> November to provide a summary of potential changes as well as providing the opportunity for networking and connecting smaller local organisations who may be interested in partnering or collaborating for this service.

3.7.2 There is already an established number of providers within this field and the potential market for a lead provider is developing further with new providers coming forward as interested parties in the development of a new integrated service model.

### 3.8 Strategic Procurement Approach

3.8.1 The following options were considered:

- Decommission the service – the council has a statutory requirement to provide these services, therefore this is not a viable option.
- Extending the current contract – there is no scope to extend the current contract and a different service model is required to implement the changes resulting from the Staying Independent at Home Policy.
- Delivering in house – there is no current capacity to deliver this service and no internal model currently exists.
- Use of existing frameworks – there are no current frameworks in existence that would be able to provide the services required.

Four options have been given further consideration and the following details illustrates the options and a view on the associated advantages and disadvantages.

The recommended option is Option 2 for the Contract to deliver the service through a lead provider model, as this will best meet the need of the council.

<b>Option 1</b>	
<b>Framework agreement to deliver all elements (unit rate) – Multiple providers</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• Cost certainty with agreed unit rates in place</li> <li>• Consistent city-wide coverage in order to meet changing demand</li> <li>• Direct relationship with each provider, positive working relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Restrictive to bringing in new providers should this be required</li> <li>• Time required to understand capacity across the providers</li> <li>• Contract management of a large contract required</li> <li>• The ability to understand the specialism of the technical aspects of the service provision</li> </ul>
<b>Option 2</b>	
<b>Contract to deliver the service through a lead provider model</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• Easier contract management as the contract would sit with one provider as the lead</li> <li>• Consistency in standards across service delivery</li> <li>• Ability to flex and move capacity and resources to meet the demand</li> <li>• Increased partnership working with the third sector</li> </ul>	<ul style="list-style-type: none"> <li>• Adding in an additional layer into the communication and allocation of works which could potentially cause a delay</li> </ul>
<b>Option 3</b>	
<b>Contract to deliver a provider collaborative model</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• Encourages joint working among local smaller providers</li> <li>• Opportunity to increase the availability for smaller providers to bid for larger contracts and sharing of expertise</li> </ul>	<ul style="list-style-type: none"> <li>• Provider market not yet established to deliver this kind of model</li> <li>• Market competitiveness and resulting in the breakdown of working relationships if collaboratives could not be established</li> </ul>
<b>Option 4</b>	

<b>Contract/Framework with lots (broken down into work areas)</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• Ensures that there are providers delivering all areas of specialism</li> <li>• Consistency of works across the City</li> <li>• Opportunity for smaller organisations to bid on a variety of works</li> </ul>	<ul style="list-style-type: none"> <li>• Could limit the number of providers if only able to bid for one or two lots, providers might want to be considered for a variety of lots</li> <li>• Joint working across more than one area could lead to additional delays</li> <li>• Contract management of a large number of providers will be resource intensive</li> </ul>

### 3.9 Procurement Approach

#### Duration and Advertising Route

The contract will be awarded for a period of 5 years with the option to extend for a further 2 years and advertised in the Contracts Finder and [www.finditinbirmingham.com](http://www.finditinbirmingham.com). The contract term is recommended on the basis that this provides stability and consistency of delivery for the most vulnerable citizens in Birmingham. Any future service needs time to be embedded and the widening of support and assistance available through the contract are also new areas of support for the council. The term allows for all of the new areas to develop along with a revised service model, the longer term is essential for delivering the approach of the policy.

#### 3.9.2 Sourcing Strategy

The contract will be awarded to 1 supplier with specified sub-contracting provision.

#### 3.9.3 Procurement Route

The contract will be tendered following the 'Open' Procedure that will enable the specification to be considered by the wider market.

#### 3.9.4 Scope and Specification

The Council seeks to establish a contract for an integrated Adaptation and Improvement Service aligned with the priorities within the SIAH Policy to be delivered via a Lead Provider model. Details of the services will be set out in the service specification.

#### 3.9.4 Tender Structure (Including Evaluation and Selection Criteria)

##### 3.9.4.1 Evaluation and Selection Criteria

The evaluation of tenders will be assessed as detailed below:

The assessment will be divided into the following stages:

Stage 1 – Selection Stage  
 Stage 2 – Invitation to Tender

### Stage 1 – Company Information

Criteria	Evaluation
<b>STAGE ONE - Selection Stage</b>	
Company Information	Pass / Fail
Financial Information (including Insurance)	Pass / Fail
Health and Safety	Pass / Fail
Compliance with Equalities	Pass / Fail
Quality Management	Pass / Fail
Grounds for Mandatory Exclusion	Pass / Fail
Grounds for Discretionary Exclusion	Pass / Fail
Modern Slavery Act 2015	Pass / Fail
Living Wage	Pass / Fail
Technical and Professional Ability	Pass / Fail
Sub-contracting	Pass / Fail
Data Processing/Protection	Pass / Fail
Declaration	Pass / Fail

Tenderers will be required to pass Stage 1 in order to progress to Stage 2.

### Stage 2 – Invitation to Tender Stage

#### Evaluation and Selection Criteria

Tenders will be evaluated using the quality / social value / price in accordance with a pre-determined evaluation model. The quality element will account for 50%, social value 20% and price 30%. This quality / social value / price balance has been established having due regard to the corporate document 'Evaluating Tenders' which considers the complexity of the services to be provided and the degree of detail contained within the contract specification.

Tenders will be evaluated against the specification in accordance with the pre-determined evaluation model described below:

#### Quality (50% Weighting)

	Criteria	Overall Weighting	Sub-weighting
Written Proposal	Service Delivery	40%	35%
	Organisation and Resources		15%
	Customer Care		25%
	Outcomes		15%

	Mobilisation and Implementation		10%
Presentation	Case Study	10%	100%
<b>Overall Quality</b>	<b>Total</b>	<b>50%</b>	

The council reserves the right to exclude tenderers who score less than 50% of the quality threshold i.e., a score of 50 out of a maximum quality score of 100 (50 marks out of 100).

### Social Value (20%)

	Sub-Weighting	Sub-Criteria	Theme Sub-Weighting
Qualitative	60%	Buy Local	10%
		Good Employer	40%
		Partners in Communities	30%
		Green and Sustainable	20%
			<b>TOTAL 100%</b>
Quantitative	40%	BBC4SR Action plan	Total of financial proxies (£) score
			<b>TOTAL 100%</b>
<b>Overall Social Value</b>	<b>20%</b>		

Tenderers who score less than 50% of the social value threshold will not proceed to the next stage of the evaluation.

### Price (30%):

Tenderers will be expected to submit a price on the basis of service delivery and mobilisation.

The price of the service includes:

- Costing Scenarios
- Birmingham unit rates for delivery
- Equipment prices

The tenderer with the lowest acceptable price for all elements is given the maximum possible weighted score. The other tenderers' weighted price scores will be calculated on a pro rata basis.

<b>Criteria</b>	<b>Overall Weighting</b>	<b>Sub-weighting</b>
Scenario 1 – costing level access shower	100%	30%
Scenario 2 – extension bathroom/bedroom		20%
Unit Rates – Discretionary		20%
Equipment		30%
<b>Overall - Price Value</b>	<b>30%</b>	

### **Overall Evaluation**

The evaluation process will result in comparative quality, social value and price scores for each tenderer. The maximum quality score will be awarded to the bid that demonstrates the highest quality. The maximum social value score will be awarded to the bid that demonstrates the highest social value. The lowest price will be given the maximum score. Other tenderers will be scored in proportion to the maximum scores in order to ensure value for money and the proposed contract will be awarded to the first ranked tenderer.

#### **3.9.5 Evaluation Team**

The evaluation of tenders will be undertaken by officers from Adult Social Care, supported by the Corporate Procurement Services.

#### **3.9.6 Indicative Implementation Plan**

Procurement Strategy Approval	March 2023
ITT Issued	March 2023
ITT Return	June 2023
Evaluation Period	July 2023
Cabinet Approval (Award)	September 2023
Contract Award	September 2023
Mobilisation period	September-December2023
Contract Start	1 <sup>st</sup> January 2024

#### **3.9.6 Service Delivery Management**

##### **3.9.6.1 Contract Management**

The contract will be managed operationally by the Multi-Disciplinary Team Manager, Adult Social Care Directorate with support from the Commissioning Team as required.

There will be a formal review at 6- and 12-months post contract start to ensure that the service is delivering the required outcomes for citizens. This will be in addition to the required contract management with regular reporting and contract review meetings.

##### **3.9.6.2 Performance Management**

The contract will include a range of performance measures which will be monitored on a quarterly basis through the Contract Management process. This will include a range of outcome and quality measures. The main outcomes expected to be achieved are:

#### Mandatory Provision

- Contact to be made with citizens within **48hours** of receipt of referral.
- Scoping of works this process should be completed within **15 working days** of an initial visit, with the exception of larger works which include an extension a period of **30 working days** is allowed.
- From the Council approving a scheme this should be shared with the citizen and homeowner for agreement within **5 working days** and subsequent approvals need to be shared with the Council.
- From the point of a purchase order being raised the provider is required to complete internal works within **12 weeks** and external works within **24 weeks**.
- Completed works should be invoiced with supporting documents no later than **10 working days** from the works being completed.
- Citizen contacted within 48hours of receipt of referral

#### Discretionary Provision

##### **Works under £1,000**

- Hospital Discharge - hospital discharge referrals have to be prioritised and completed within **24 hours** after receiving the order (Exceptions would be for privately rented accommodations when permission is needed from landlords prior to starting the job)
- Urgent - urgent priority referrals should be completed within **48 hours** from receiving the order. Exceptions would be for privately rented accommodations when permission is needed from landlords prior to starting the job.
- None-priority – None-priority orders should be completed within **7 days**. Exceptions would be for privately rented accommodations when permission is needed from landlords prior to starting the job.

##### **Works between £1,001 - £10,000\***

- All requests for works are booked for scoping within **24 hours**.
- Hospital Discharge/Urgent - hospital discharge and urgent referrals have to be prioritised and completed within **7 days** after receiving the order (Exceptions would be for privately rented accommodations when permission is needed from landlords prior to starting the job)
- None-priority – None-priority orders should be completed within **28 days**. Exceptions would be for privately rented accommodations when permission is needed from landlords prior to starting the job.

## **4 Options considered and Recommended Proposal**

4.1 Alternative procurement options are shown in paragraph 3.8.

## **5 Consultation**

- 5.1 The development of a Staying Independent at Home Procurement Strategy was included in the Cabinet report on the 22 March 2022 which was approved.
- 5.2 The contents of this report were discussed at the Adult Social Care Commissioning Management Team on the 5<sup>th</sup> August 2022. and they Management Team were supportive of the recommendations within this report.
- 5.3 The contents of this report were discussed at the Staying Independent at Home Programme Board on the 9<sup>th</sup> August 2022. The Board were supportive of the recommendations within this report.
- 5.4 The contents of this report were discussed at the Adult Social Care Management Team on the 17<sup>th</sup> August 2022 and the Management Team were supportive of the recommendations made within this report.
- 5.5 The contents of this report were discussed at the Better Care Fund Commissioning Executive on the 7<sup>th</sup> September 2022. The Board were supportive of the recommendations within this report.
- 5.6 Officers from City Finance, Corporate Procurement and Legal and Governance have been involved in the preparation of this report.

## **6 Risk Management**

- 6.1 The CPS approach is to follow the Council Risk Management Methodology and the Procurement Team is responsible for local risk management. CPS maintains a risk management register and documentation relevant for each contract. The risk register for the service has been jointly produced and owned by the Adult Social Care Directorate and CPS with arrangements being put in place to ensure operational risks are appropriately mitigated.

## **7 Compliance Issues:**

### **7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

7.1.1 The proposals contribute to the delivery of the Council's core vision and priorities in the Council's Vision and Forward Plan 2018 - 2022 of:

- Birmingham is an aspirational city to grow up in – through the policy implementation this will give greater choice to citizens of all ages to be able to make a more informed decision about living at home with support to ensure home is a safe environment. This widens the options available to citizens to have greater choice when addressing their social care need.
- Birmingham is a fulfilling city to age well in – by implementing the Staying Independent at Home Policy the Council will be able to support citizens to remain living as independently as possible within their own homes.

### 7.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of these contracts. Tenderers will be required to submit an action plan with their tender that will be evaluated in accordance with the procurement strategy set out in paragraph 3.9.4 and the action plan of the successful tenderers will be implemented and monitored during the contract period.

## 7.2 Legal Implications

7.2.1 Section 14 of The Care Act 2014 states that the Council must provide minor works or equipment of a value of less than £1,000 free of charge to the citizen as detailed in The Act where these are necessary to meet a Care Act outcome.

7.2.2 The Housing Grants, Construction and Regeneration Act 1996 (HGCR 1996) places a mandatory duty on the Local Authority to provide grants towards the costs of works required for the provision of facilities for people living with disabilities as defined in the Equality Act 2010. These are known as Disabled Facilities Grants (DFG).

7.2.3 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO 2002), enables the Local Authority to use discretionary powers to provide other forms of housing assistance in addition to the mandatory duties to provide DFG. In order to exercise discretion and flexibility in the form of assistance offered and crucially to enable flexibility in the use of the annual DFG funding allocation, the Local Authority must publish a policy setting out the assistance available.

7.2.4 Under Section 111 of the Local Government Act 1972, a local authority has the power to take action, which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions and therefore has a general power to enter into contracts for the discharge of its functions. Section 93 of the Local Government Act 2000 gives the Secretary of State power to award grants to local authorities for expenditure incurred by them in the provision of welfare services determined by the Secretary of State.

7.2.5 Pre-Procurement Duty under the Public Service (Social Value) Act 2012

The Social Value outcomes to be supported by this contract have been determined and are included in the specification, as well as incorporation of the associated Themes from the BBC4SR that are included in the tender evaluation, therefore no additional stakeholder consultation is required.

## 7.3 Financial Implications

7.3.1 Funding arrangements for the provision:

- This is a procurement process for a contract for a 5-year period with the potential for a further 2-year extension, in order to ensure citizens are able to remain living at home for as long as possible.
- The contract will be funded through the Disabled Facilities Grant which is a grant received by the Council from the Government on a yearly basis.
- The costs of undertaking this procurement exercise will be met through the Adult Social Care budget.

## **7.4 Procurement Implications**

- 7.4.1 This report concerns the procurement strategy for the Staying Independent at Home Adaptation and Improvement Service and the implications are detailed through the report.
- 7.4.2 The Lead Provider model appears to be the most suitable option for the proposed Service, but it is not without its complications particularly around the subcontracting arrangements. CPS is working closely with Commissioners to ensure that the criteria around subcontracting, supply chain due diligence is clearly developed and set out in tender documentation.
- 7.4.3 Sub-contracting levels will be specified as part of the tender documentation to ensure that there is the opportunity for smaller local businesses to be able to be part of a bid submission.
- 7.4.4 Sub-contracting provisions will also be stipulated within the contract and approval will have to be given for any removal or addition.
- 7.4.5 Consideration is being given to the inclusion of scheduled tender clarification meetings to provide clarification around the service delivery model and subcontracting arrangements
- 7.4.6 The tender opportunity will be open for a minimum of 40 days to give the market more time to put together their proposal around the model.

## **7.5 Human Resources Implications (if required)**

- 7.5.1 The procurement activity and the subsequent contract management will be undertaken by Council staff.

## **7.6 Public Sector Equality Duty**

- 7.6.1 A relevance test to decide whether the planned procurement for the Staying Independent at Home Adaptation and Improvement Service has any relevance to the equality duty contained in Section 149 of the Equality Act 2010 of eliminating unfair/unlawful discrimination and to promoting equality and human rights was conducted on 7<sup>th</sup> November 2022, reference EQUA1009. The screening identified that there was no requirement to assess this further and completion of an Equality Assessment form was not required.

## **8 Appendices**

8.1 None

## **9 Background Documents**

9.1 Staying Independent at Home Policy Cabinet Report – March 2022

9.2 Staying Independent at Home Policy