

Bath & North East Somerset Council

DECISION MAKER:	Cllr Alison Born, Cabinet Member for Adult Services	
DECISION DATE:	On or after 23 rd March 2024	EXECUTIVE FORWARD PLAN REFERENCE:
		E3528
TITLE:	Minor Adaptations Options Appraisal	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 – Background Detail Appendix 2 – Minor Adaptations Contract Information		
Note: This decision is being dealt with as an exception to call-in under Rule 3.2.30 of the Constitution.		

1 THE ISSUE

The service has been provided by We Care Home Improvements (WECHI) since 2016. The contract has been extended on multiple occasions and a decision now needs to be considered in relation to procurement versus in-house provision.

2 RECOMMENDATION

2.1 The Cabinet member is asked to consider the recommended option below;

2.2 To bring the Minor Adaptations service back into the Council

2.3 The direct award completes on 31 March 2024 leaving insufficient time to transition to in-house provision. The recommendation is to ask the current provider to continue service provision for a further period of 6 months enabling sufficient time to enable a safe transfer in readiness for 1 October 2024.

2.4 To agree a budget of **£261, 949** for the financial year 2024/5.

3 THE REPORT

As the Community Equipment service is already provided in-house by a team of experienced staff with good knowledge of minor adaptations, in-house provision could offer better commissioning and budget oversight, economies of scale, scrutiny of high-cost referrals and property tenure checks to ensure we are not providing a service where it is the responsibility of another organisation.

Providing the service in-house will add the opportunity to implement a different working model resulting in improved communication with referrers and organisation of orders on receipt to avoid the need for costly survey visits before fitting. It is clear from the cost of material spend by WECHI that economies of scale can be gained from bulk buying which at present, isn't possible to accurately reflect in the estimate to run the service in-house as negotiations with material suppliers have yet to take place. There will also be increased resilience due to control of costs and operational arrangements.

Alongside in-depth reporting and monitoring, use of the new electronic ordering and bar code scanning system will provide live reporting and route scheduling. In-house provision will also offer the opportunity in the future to work with Waste Services to promote the use of recycling points. Here, both equipment and rails no longer required can be returned and re-used where possible, reducing the volume of new stock required. This option will also provide the potential to fit a minor adaptation(s) and undertake delivery of equipment as one visit, saving resource and fuel. It will also provide the opportunity to gather service user/friends and family feedback to support any improvements that could be implemented to the service.

4 STATUTORY CONSIDERATIONS

Minor adaptations in this context are smaller home adaptations that aid personal independence and mobility. It includes items such as grab rails, stair rails, ramps and key safes. Such provision is covered by the care act 2014, with a specific requirement to ensure individuals can access such adaptations free of charge up to a maximum cost of £1,000. As such the local authority has a legal duty to fund this provision.

This decision is being considered as an exception to call-in under Rule 3.2.30 of the Constitution because the effect of the call-in alone would be to cause the Council to miss, or fail to comply with or fulfil, a deadline or duty. The decision needs to be made by 31st March 2024 because the existing contract ends on that date.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

The service has been funded from the annual Disabled Facilities Grant (DFG) since 2018 as at the time there was an underspend in the DFG budget.

Whilst DFG is predicted to use its entire annual grant in 2024/5 due to increase demand, agreement was reached to continue to fund the minor adaptations service from DFG for this period with any shortfall being met from ASC Discharge Grant monies. Conversations will take place during Q1 2024 to reach agreement on the funding of this service for 2025 onwards. Delays experienced to date relate to this very matter however it is of note that continuing to contract this service externally carries a greater risk of steep cost increases and a reduction in financial control over spend.

Further detail about the background can be found in the appendix.

Budget required from April 2024 onwards	2024-25	2025-26 +15%	2026-27 + 15%
	£238,133 +10% contingency	£271, 131	£311, 800

Once in house, efficiencies and economies of scale that are not currently seen due to external contracting arrangements will enable more accurate budget forecasting across the next 3 years. Spend will be monitored monthly and there is a planned review of community equipment, minor adaptations and home from hospital services to look at the inter-dependencies of all 3 services, make recommendations to drive efficiencies and review spend to resolve the issue of long-term funding. In this coming year the Adult Social Care Discharge Grant and Better Care Fund will be used to manage excess costs across all 3 services while the review addresses necessary transformation. The Review will set out proposals for long term funding and efficiencies to support costs but recognises that additional capacity will need to be built into 2025/6 budgets.

If the recommended option to bring the service in-house is approved, there will be a need for 0.6wte project in HR support to begin the transition of the service for October 2024, plus a project group with representation from HR, payroll and pensions, IT, fleet management, service management, procurement and finance. The project support will be absorbed by existing Commissioning teams apart from the HR TUPE work which will need direct resourcing.

6 RISK MANAGEMENT

A risk assessment related to recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.

Risk	Mitigation
<p>1) The service will continue to spend above budget.</p> <p>The figures below show a continued growth in demand as B&NES population becomes older and wish to remain independent in their own home.</p> <p>Number of jobs in 2021-2022 - 2150</p> <p>Number of jobs in 2022-2023 - 2588 (20% increase)</p> <p>Number of jobs in 2023-2024 - Awaiting data</p>	<p>a) A full review will be made of the service and associated services already run by the Council (DFG and the Community Equipment store) to look at economies of scale.</p> <p>b) Part of the review will be to discuss on-going funding with the ICB who also benefit from the adaptations supporting discharge from hospital. This will align with the model of funding in Swindon and Wiltshire as minor adaptations, like community equipment, provide benefits from both a health and social care perspective, enabling independence and supporting admission avoidance</p> <p>c) To add a 10 % contingency to cover any unidentified costs, taking the overall estimated</p>

	<p>running cost to £261, 949 for Year 1 if use of the contingency was required</p> <p>d) To work towards economies of scale relating to the purchase of materials in larger quantities that cannot currently be quantified until a decision is reached on the preferred option and negotiations with suppliers can take place.</p>
2) There is insufficient time to bring the service into the Council before the end of the contract completes with no option to extend contractually	a) To put in place a grant agreement for 6mths to support the transfer processes
3) With only 6 months left to run the provider may not wish to continue arrangements	a) Discussions have been held with the provider where they have identified that provided decisions are made promptly, they will continue to provide a service until 30 September 2024.
4) Challenge from existing providers in the market.	a) The further 6-month award would take the spend over the procurement threshold; however the short term nature of the contract and the longer term plan to bring the service in-house is likely to mean that providers in the market are not minded to challenge the council's procurement arrangements.

7 EQUALITIES

This service is available to all residents of Bath and North East Somerset or those registered with a BaNES GP.

8 CLIMATE CHANGE

In-house provision will offer the opportunity in the future to work with Waste Services to promote the use of recycling points. Here, both equipment and rails no longer required can be returned and re-used where possible, reducing the volume of new stock required. This option will also provide the potential to fit a minor adaptation(s) and undertake delivery of equipment as one visit. Once in house, the service will look to transfer to electric vehicles and as such additional charging points will need to be considered as part of the draft proposed site regeneration project.

9 OTHER OPTIONS CONSIDERED

NOT RECOMMENDED

Undertake a procurement exercise using a specification based on number of jobs per annum within a set financial envelope.

Rationale

It is difficult to accurately predict the number of referrals for minor adaptations across a 12-month period as it is demand led. The data provided from previous years clearly demonstrates the ongoing rise in items fitted across the last 2 years as we work together to enable individuals to remain independent in their usual place of residence and strive to get people discharged from hospital in a timely manner. This is a demand led, reactive service that remained static in cost and annual number of jobs for consecutive years until more recently when requests were received as we approached Q4 to provide additional funding for the remainder of the year. Procuring the service may therefore carry an element of financial risk as it is not possible to accurately predict or cap the number of annual jobs.

As this is a small contract for minor adaptations only and would potentially be procured as a block contract, there is a risk of challenge from the market relating to exclusion as local providers of this type of service typically also provide community equipment via credit and activity models. B&NES is unusual in this respect as it has always provided these services separately. During the lead up to the options for the future delivery of the community equipment service, engagement sessions with equipment and minor adaptations providers in other local authority areas saw every provider questioning how B&NES were able to deliver both services so efficiently via a low value block contract. It is well known locally that larger organisations monitored the contract length for community equipment in B&NES based on their keen interest in establishing themselves within our footprint. As such, this type of service and associated activity can be subject to commercial gain and could become a source of considerable financial pressure for the local authority at the same time as losing the synergy with current community equipment activity.

10 CONSULTATION

This has been discussed with the Section 151 officer, the provider, Adult Social Care and Housing Directorates and in the ICB Alliance forum (ADOG)

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Background papers	None
Please contact the report author if you need to access this report in an alternative format	