



City of Westminster

Cabinet Member Report

Decision Maker:	Cabinet Member for Housing Services
Date:	28 November 2024
Classification:	Part Exempt <i>Part B is exempt from disclosure on the grounds that (i) it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings under paragraph 5 of Schedule 12A of the Local Government Act 1972; (ii) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</i>
Title:	Award of Aids and Adaptations Contract
Wards Affected:	All
Policy Context:	Fairer Westminster – the report supports the delivery of Fairer Housing by ensuring residents homes are adapted to support independent living.
Cabinet Member:	Councillor Liza Begum, Cabinet Member for Housing Services
Key Decision:	Yes
Financial Summary:	A breakdown of the individual contract sums is outlined in the body of this report.
Report of:	Luke Taylor – Head of Commissioning & Contracts - Housing Services

1. Executive Summary

- 1.1. This report seeks Cabinet Member approval for the agreement to award a contract to Effectable Construction Services Limited to undertake Adaptations and Minor Repairs to across Westminster City Councils housing stock.
- 1.2. The contract will be awarded via a call-off from the NHMF Disability Adaptations Framework for a period of one year with an option to extend for a further year (at the Council's discretion), while extensive early market engagement and re-procurement activity is carried out to award a longer-term contract for this service.
- 1.3. Effectable are the incumbent contractor who provide adaptations, refurbishments and minor repairs following an Occupational Therapists referral. Effectable were appointed as a Term Partnering Contract in 2019 on a 5-year contract which included an option to extend by up to two years. Due to a higher than anticipated demand on this contract we have reached the agreed spend level within the initial five-year period.
- 1.4. There are another seven Housing Term Partnering Contracts (TPC) that are due to expire in 2027 (having been let two years before the Effectable Contract on 10-year contracts). Work has begun on the programme to re-commission these contracts with a procurement exercise anticipated in early 2026. A 1 year + 1 year award of a new Aids & Adaptations contract is proposed to provide enough time to evaluate commissioning options and then to procure this contract to align with the commissioning model for the remaining TPC contracts.
- 1.5. A direct award via a PCR 2015 compliant framework to the incumbent contractor will allow for continuity of service and costs whilst we finalise a new delivery model for these key housing contracts. An initial 1-year term will allow the Council to go out to tender for the Aids & Adaptations contract as soon as the new commissioning model is agreed in April 2025.
- 1.6. Effectable have maintained a high level of performance during the previous 5 years.
- 1.7. A robust benchmarking exercise was carried out between Effectable's existing rates and the framework rates. Following further discussions, Effectable agreed to freeze their current rates for the period of the new contract, including any extension, providing a saving of 24% per year compared with the market rates.

2. Recommendations

That the Cabinet Member for Housing Services:

- 2.1. Approves the award a contract to Effectable Construction Services Ltd (company number 04002709) via the NHMF Disability Adaptations Framework for an initial period of one year with the option to extend by an additional year and for an

estimated contract value of £6,200,000.00 exclusive of VAT (£7,440,000.00 inclusive of VAT) as set out in the report.

- 2.2. Notes that the services commenced on 16 September 2024 and that the initial one-year term under the contract will continue until 15 September 2025.
- 2.3. Notes that fees of £592,880.20 for the period 16 September 2024 to 14 November 2024 have already been incurred under the contract.

3. Reasons for Decision

- 3.1. Westminster City Council has a statutory obligation to provide high quality accessible housing that meets the needs of its residents. Aids and Adaptations specifically focuses on meeting the specific needs of residents, by providing adapted Kitchens and Bathrooms, stair lifts and hoists and minor repairs as directed by an Occupational Therapist.
- 3.2. The demand for adapted housing has increased by 25% during the course of the previous contract, and consequently the agreed contract sum has been reached within the initial five-year term. To ensure compliance with Procurement regulations it is not possible to exercise the option to extend the current contract by the optional two years.
- 3.3. The route to market for this direct award is through the NHMF Disability Adaptations framework. There is no ranking system applied to the framework, and the framework provides that Contracting Authorities can direct award to a provider by applying the criteria set out in Schedule 4 (Call-Off Contract Allocation Procedure) of the framework agreement.
- 3.4. One such criterion is that a call-off can be awarded to a framework provider which has satisfactorily provided similar services to the client in the 12 months immediately preceding the date of the call-off and no other framework provider has provided similar services to that client. Effectable meets this criterion, as they are the sole provider of Aids and Adaptations for Westminster Council and have delivered the requirement for more than 12 months, at an acceptable level of performance.
- 3.5. The framework requires use of the Call-off Contract Terms set out in the framework agreement with only minor, non-substantial changes. The Call-Off Terms are a bespoke NHF form of contract.
- 3.6. Awarding this contract via the NHMF Disability Adaptations Framework to the incumbent supplier, Effectable Construction Services Limited, will eliminate any disruption to existing residents who receive regular planned maintenance, maintain the pre-existing relationship between Westminster City Council and the NHS Occupational Therapist, and provide a consistent seamless service to residents.
- 3.7. This one-year contract, with the option to extend for a further year, will provide the time to review how the Council delivers Aids and Adaptations, review the existing market and re-procure a new contract, in accordance with WCC's Procurement Code and the Public Contract Regulations.

- 3.8. The Term Partnering Contract with Effectable commenced on 16 September 2019 and the initial five-year term expired on 15 September 2024. Accordingly, the services under the new contract via the NHMF Disability Adaptations Framework commenced on 16 September 2024 and expenditure has already been incurred by the Council.
- 3.9. Effectable have maintained a very high level of performance including customer satisfaction. The Minimum Level of Acceptable Performance (MLAP) has consistently been achieved, including exceeding all their Social Value commitments.
- 3.10. As part of their commitment to delivering Aids and Adaptations to Westminster Residents, Effectable have agreed to freeze their current rates for this contract, including any extension periods. Compared with the current market rates, this will provide a saving of 24% to the Council.

4. Scope of Works

- 4.1. The Scope of works includes the feasibility, design and build of Major and Minor Aids and Adaptations in relation to Social Housing tenants only and usually following assessment of need and recommendations from the resident's occupational therapists, NHS Trusts and where relevant, other stakeholders. An estimated 95% of works will be in relation to properties within the City of Westminster with the other 5% within the wider M25 area.
- 4.2. The work will commonly comprise of adaptations/refurbishment to kitchens and bathrooms but will also include installation and servicing of more specialist equipment such as home intercoms/entry systems, platform lifts, chair lifts, lifting hoists and access ramps etc, under relevant good practice and legislative requirements and in particular, the Lifting Operations and Lifting Equipment Regulations 1998 (LOLER).
- 4.3. In summary, the works comprise:
 - a) **Core Element:** Major and Minor Adaptations (Low Level Kitchen and Wet Room Installations), Planned Preventative Maintenance. Servicing of Lifting Equipment
 - b) **Secondary Element:** Minor repairs, feasibility of Adaptations in Void properties, out of hours repairs

5. Financial Implications

- 5.1. The current contract with Effectable is for the supply and fit of Aids and the Installation of Adaptations to Resident's properties following an Occupational Therapy referral. The number of adaptations undertaken is therefore subject to the number of referrals, which is estimated when the budget is set. In the event that spend meets the annual budget allowance, any further adaptations are covered by the HRA contingency. This budget is therefore monitored regularly.
- 5.2. The contract of £3.1m p.a. with Effectable includes capital and revenue spend which will be funded in the current year forecast and the increase will be reflected in 2024/25 HRA Business Plan circle.
- 5.3. The HRA Budget was approved at Cabinet in February 2024. Included within the budget was the Planned Maintenance Programme budget of £1.804b, of which Aids and Adaptation totals £48.9m over the next 30 years, with £1.8m budget annually.

- 5.4. The current forecast for Aids and Adaptation as at P5 for both capital and revenue is shown below. This increase is due to the increase in referrals as discussed above, however, is in line with the anticipated contract value.

	P5 Forecast	Actual
Capital	2,340,000.00	1,596,274.17
Revenue	717,000.00	314,162.00
Total	3,057,000.00	1,910,436.17

6. Legal Implications

- 6.1. The estimated value of the proposed contract over its lifetime is in excess of the Public Contracts Regulations 2015 (the “PCR”) threshold for works and the award of the Contract is therefore governed by the PCR as well as the Council’s own Procurement Code.
- 6.2. This report recommends a direct award of contract to Effectable Construction Services Limited via the NHMF framework for Disability Adaptation Works. NHMF set up two separate frameworks as part of the same procurement exercise. One, referred to as Lot 1A, which only allows for direct award of contracts and one, referred to as Lot 1B, which provides for mini-competitions only. The proposal is to use to the Lot 1A direct award framework. The framework is available for use by the Council with local authorities being specifically noted in the contract notice as possible framework users.
- 6.3. The PCR allows the use of framework agreements and regulation 33 PCR prescribes rules and controls for their procurement and use. Call offs under framework agreements also need to be carried out in accordance with the framework rules.
- 6.4. Regulation 33 PCR allows direct awards from a framework where the framework sets out:
- (a) all the terms governing the provision of the works, services and supplies concerned; and
 - (b) the objective conditions for determining which of the framework providers shall perform the contract, such conditions to be set out in the framework agreement.
- 6.5. The framework requires use of the Call-off Contract Terms set out in the framework agreement with only minor, non-substantial changes. The Call-Off Terms are a bespoke NHF form of contract.
- 6.6. When awarding a contract via a framework, there is no requirement for the Council to observe a standstill period under the PCR however, the Council may choose to observe a voluntary standstill period. The Council must, within a reasonable time, publish a notice with details of the awarded contract on Contracts Finder.
- 6.7. Further legal implications are included in Part B.

7. Climate Implications

- 7.1. In accordance with WCCs Responsible Procurement and Commissioning Strategy all existing and new suppliers must acknowledge the reduction of Carbon, and internally managed effectively, through reporting and regular Contract Management meetings.
- 7.2. Effectable have demonstrated a great awareness of Sustainability and Carbon reduction, with particular reference to the commitments that they can make to contribute to the Council's Net Zero Carbon 2040 timetable.
- 7.3. Commitments made by Effectable, and to be managed regularly include and not limited to:
 - Selection of materials based on carbon profile, recycled content and eco-certification.
 - The use and recommendations for energy-efficient/lower carbon materials, including equipment and installations.
 - Reach 15% waste reduction per build plot by 2030
 - Progress transition to low-emission vehicles, with demonstrated deployment on the WCC contract
 - Implement a waste reduction metric
 - Minimum 90% recycling rate on site
 - Review sustainable procurement policies to ensure material selection hinges on low environmental impact solutions.

8. Equalities

- 8.1. The award of this contract detailed in the report will support residents with disabilities to live independently in their homes. This can include stairlifts, widening doorways and building ramps, or simply adding handrails or low-level kitchen fittings. All adaptations follow on from an Occupational Therapist's referral.
- 8.2. The works carried out under this contract include the delivery of both in-flat and communal adaptations & repairs across the housing stock. This will benefit both tenants and leaseholders in terms of adapting properties to meet the residents needs and to ensure buildings are accessible. Funding for adaptations is made through the Housing Revenue Account and Disabled Facilities Grant.
- 8.3. The Council owns and manages over 21,000 homes of which 57% are tenanted and 43% are leasehold. Leaseholders are not required to provide their personal information; however, the Council collects demographic and equalities information on tenants to ensure service delivery is responsive to the needs of the tenant population.
- 8.4. 20% of Westminster households include one disabled member, and 14% of Westminster residents have a long-term condition that limits their day-to-day activities a little or a lot.
- 8.5. The Vulnerability Project aims to build on the information we hold on tenants and enhance this with a focus on vulnerability and how the Council can adjust the service to better support these tenants. As part of the dedicated Vulnerability Project, Household Support Reviews and Vulnerability Flags have been introduced to ensure tenant vulnerabilities and reasonable adjustments are properly considered throughout Housing Services delivery.
- 8.6. Of the Household Support Reviews completed to date, physical disability has been identified as one of the most common vulnerability flags for tenants. This contract will

ensure that the Council can continue to provide adaptations and repairs to support tenants

9. Consultation

- 9.1. This decision will have no impact to the public or any specific ward, therefore no individual consultation has been carried out. There will be no change to how the public pay rent or services charges and the existing My Westminster accounts will be unaffected.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

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For completion by the **Cabinet Member** for Housing Services

Declaration of Interest

I have no interest to declare in respect of this report,



Signed: _____ Date: 28 NOVEMBER 2024

NAME: **Councillor Liza Begum**

For the reasons set out above, I agree the recommendation(s) in the report entitled:

Award of Aids and Adaptations Contract and reject any alternative options which are referred to but not recommended.

Signed:



Cabinet Member for Housing Services

Date: 28 NOVEMBER 2024
