



Foundations

Round Table 1: Procuring Adaptations

February 2020



Introduction

Foundations Round Tables try to say something new about thorny issues that face Local Authorities and Home Improvement Agencies. The sort of issues that hinder the ability of ordinary people to make adaptations to their home to accommodate changing needs.

Foundations hosted a Round Table on the procurement of adaptations at Westminster City Hall on 22 January 2020. The Independent Review of Disabled Facilities Grants (DFG) reflects the context for this discussion¹. It made some high level recommendations on improving the procurement of adaptations and shaping a better market, but this Round Table and report aims to move the debate on to practical suggestions on how we might better use the £0.5 Billion annual DFG budget to improve design, improve outcomes, shorten supply chain timescales and retain control over costs and value.

Context

Construction procurement practice in general is considered poor across the UK, particularly in the public sector². Foundations' research has found that two thirds of local authorities call off individual DFGs by discrete tender. These are largely evaluated on price, rather than quality or best outcome for the recipient. Where frameworks are in place these are almost always local, price-based, difficult to get onto for smaller contractors or new entrants and over time, unresponsive to innovation. Local DFG processes allow for little standardisation even though 90% of DFG programmes purchase level access showers, stairlifts or ramps³. In terms of quality, most adaptation equipment is designed more for acute health and care settings and looks out of place and unwelcome in a domestic setting.

The extent to which the purchasing power of the national DFG programme could shape a better adaptations market is also hindered by the largely independent administrative structures of the 319 English housing authorities who deliver the programme.

The Foundations Round Table considers opportunities to standardise adaptations, improve the supply chain and create a mainstream market for adaptations.

¹<https://www.foundations.uk.com/media/5665/dfg-review-2018-main-report-final-nov-2018a.pdf> PP197-203

² <http://cic.org.uk/admin/resources/appg-for-ebe-report-.pdf>

³<https://www.foundations.uk.com/media/5665/dfg-review-2018-main-report-final-nov-2018a.pdf> PP46

- People find it difficult to balance standardisation with the evident commitment and need to design and provide personalised solutions.
- Within the statutory sector there is little pressure on design as the vast majority of DFG recipients are just happy to have some of their needs addressed.

Considerations

Pending Government's response to the recommendations in the DFG Review, it welcomes ideas being tested and considered in cross sector forums such as the Round Table. While the Ministry of Housing, Communities and Local Government is clearly 'in listening mode' there is an opportunity for the people gathered at the Round Table to ensure policy makers are sighted on the issues and possible solutions to generate better outcomes from the Government's investment in the DFG.

Different round table contributors suggest Government could be helpful in:

- Making a five-year DFG funding commitment to provide greater certainty to housing authorities in planning and designing local programmes.
- Revisiting the "necessary and appropriate" criteria to encourage earlier adaptation of the homes rather than managing changing need with equipment until a DFG can no longer be avoided.

The specialist registered provider of housing for older people, Housing 21, has already moved to more aspirational and inclusive designs for the bathrooms in its 20,000 homes. The point that **there is actually very little difference in price between a "medicalised bathroom" and the more aspirational wet room**, is made forcibly by several contributors.

If Not Cost and Price Then What?

Contributors agree that most local authorities find it difficult to flex their DFG processes to enable better designed bathrooms. Private architects and designers are responding to the changing demands of an ageing clientele of self-funders very successfully, but that sector does not have the wherewithal to sit down with local authorities to encourage change and improvements in design principles. Design companies are successfully working with Social Landlords to improve design, but this is finding little impact on the National DFG programme or retail sector. There is therefore a need to **find better ways to share best practice and design**.

The success designers and architects like Arcadia have is predicated not only on expertise in good design and project management but on forging close relationships with paying customers. So, improvements in the quality and design of standard adaptations has to go

hand in hand with what one contributor called ‘capturing the imagination of ordinary people’.

Standardisation must therefore be balanced by the provision of personalised services in which people exercise greater choice and control.

To move the DFG programme and wider market for adaptations away from the short-term and crisis-management therefore has implications for workforce training and the engagement of people who need adaptations.

- More personalized, aspirational design needs to be backed by training for occupational therapists, technical officers and grants officers.
- Choice and control can only be enhanced if we engage with people about the issues of ageing well at home earlier and at points where planning makes sense to them.
- The high street and evolution of digital solutions will drive change in better joining up health service, adult care provisions and the home environment.
- The Neighbourhoods of the Future report noted that 70% of the existing stock is not visitable for an ageing population⁵. Rather than taking an approach which would seek to raise minimal standards, it suggests taking a certification approach which would provide the information and advice people need to make informed decisions, allows architects, designers and local authorities to generate a means to prove additional value and could, in the long-term, provide a driver for financial services to value adapted homes.
- As an alternative to certification contributors note the impact regular ‘Which’ reports and recommendations can have.

Conclusions:

- 1. Better and more inclusive design adopted within the DFG programme need not necessarily cost more and by greater uptake in the market will reduce prices further.**
- 2. Occupational therapists and other practitioners welcome raising the floor of current programmes and providing greater clarity on what can and cannot be paid for and therefore charged to households benefiting from statutory Disabled Facility Grant aid.**
- 3. A greater degree of standardisation adopted by local authorities would help to improve the design of DFG supplied adaptations and thus provide the impetus to develop a medium price inclusive design offer.**

[5https://www.agileageing.org/site_files/5944/upload_files/NeighbourhoodsoftheFuture2019_250119.pdf?dl=1](https://www.agileageing.org/site_files/5944/upload_files/NeighbourhoodsoftheFuture2019_250119.pdf?dl=1) P37

4. Standardisation of the DFG shopping basket should not be too restrictive but form part of toolkit of design, procurement, contractor and customer relationship management.

Challenges:

- How can we construct the standard?
- How can we ensure that it is accepted by policy makers and officers?
- How can we better share best practice?





Joining up the Supply Chain

Discussion Introduced by Phil Woodhead, Category Manager at Fusion 21. He suggested that joining up the supply chain is not all about buying things more cheaply but about doing things differently. It is not the procurement rules that inhibit change and innovation it is their interpretation by people making purchasing decisions.

Fusion 21 effectively seeks to move local procurement to more regional and national levels through dynamic and strategic frameworks. More centralised or regionalised frameworks need to meet certain conditions:

- The entire spectrum of adaptations: small, medium and large need to be delivered equally well.
- Larger Frameworks require a strategic shift to:
 - Standards in eligibility: who may use it to call off items.
 - Standards in accreditation: which contractors are approved under the framework.
 - Standards in certification: what kit is covered under the framework.
- This shift is helpful in achieving the level of standardisation looked for in the first discussion.
- More centralised frameworks require individual authorities (housing and welfare) to pool some commissioning functions.

Example: Nationally aggregating modular bathroom extension.

Hypothetical total demand taken at 500 units @ £25K/unit

- Aggregated demand will spark supplier interest in a national market worth £12.5m.
- A national programme will drive efficiencies in scheduling and capacity smoothing.
- Smoothing will generate greater cost certainties, consistencies in quality and address postcode lottery.

Barriers

The Round Table recognises that the issues of moving to more strategic procurement comes down to the age-old tensions between local and aggregated national and regional purchasing.

- Local Authorities are cautious about entrusting local functions to regional or national entities.
- Consistency and quality will remain a concern in scaled purchasing systems.
- There is a geographical challenge in carving up the UK into regions to which constituent authorities naturally associate or practically connect.
- Frameworks tend to preclude smaller in favour of larger contractors who then subcontract. This adds overheads to the framework and harms diverse local construction markets.
- Many contractor accreditation schemes already exist and the layers of warrants and endorsements add cost and will make it unattractive to smaller contractors.
- Product certification also exists already. The issue is not always the quality of the products but the quality of the installation.
- The challenge for Local Authorities is that poor standards require reinforcement, which requires processes and policies in terms of quality assurance and dispute resolution. These are time consuming and do not remove poor performance.
- Attempts to remove poor performers from frameworks will often lead to litigation as the larger companies will hold onto inclusion within supra-regional frameworks by pushing the risk and blame to sub-contractors.
- Austerity has eroded the capacity of local authorities to maintain approved lists of contractors.

Considerations

Contributors considered the way local authorities might be enabled to construct larger frameworks for adaptations. National procurement frameworks do of course exist and some participants note existing frameworks provided to the housing sector by Procurement for Housing⁶, The Northern Housing Consortium⁷ and Procurement for All⁸. Fusion 21⁹ itself is

6 <https://www.procurementforhousing.co.uk/what-we-offer/frameworks/>

7 <https://consortiumprocurement.org.uk/about-us/>

8 <https://www.procurementforall.co.uk/frameworks/>

9 <https://www.fusion21.co.uk/working-with-us/sectors/registered-providers-housing/>

a not for profit provider of national and regional public sector frameworks, including housing. So, it is already possible for individual local authorities to **join a ready-made framework**.

Access for Smaller Contractors

It is felt that core to the success of local DFG programmes and other retrofitting programmes are the networks of smaller, local contractors who form the backbone of the construction sector and anchor these activities firmly in local communities. The challenge is therefore how these companies may be flexibly accommodated into larger regional or even national frameworks.

Several contributors suggest that **adopting Dynamic Purchasing Systems (DPS)**¹⁰ may provide a route into larger frameworks for local small and medium sized builders. Dynamic purchasing systems can have a national reach but have local flexibility. They are open to new entrants over the lifetime of the framework and because they are on-line, they allow dispersed providers to specify their category specialisms and geographic footprint. Foundations has developed a DPS called DFG tenders¹¹.

However, the Round Table contributors recognise that smaller contractors will need access to support, training and technical innovations without committing to multiple and costly quality assurance structures. The suggestions offered are that:

- Manufacturers provide programmes of free installation training as part of their obligations under a large materials framework which in turn guarantees them a share of the market.
 - The materials framework can be drafted to allow, even encourage, design innovation by means of performance specifications.
 - Local Authority officers will have a means to work with local contractors to ensure they are adequately trained and upskilled without breaching procurement regulations.
- Government to require that contractors carrying out works under a DFG are subject to TrustMark registration in the same way that contractors carrying out works under ECO are required to sign up to TrustMark. The adaptations standard under TrustMark could then set an expectation that registered contractors were trained by the manufacturers as suggested above.

¹⁰https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/560265/Guidance_on_Dynamic_Purchasing_System_-_Oct_16.pdf

¹¹ <https://www.foundations.uk.com/notice-board/dfg-tenders/>

- This could then make Trustmark a vehicle which replicates some of the functions of the US Certified Ageing in Place Specialists (CAPS)¹². CAPS is a training programme for small and medium sized building contractors run by the US National Association of Homebuilder to ensure builders have the skills to future proof people's homes.
- Rising skills in the workforce is likely to lead to greater take-up of adaptations by self-funders, employing builders to make changes to their home in late middle age.
- Rising skills in the workforce will improve the ability of local authorities to use contractors in survey and design and build functions. This will improve the capacity of the statutory sector to deliver DFG funded adaptations without employing additional grants officers.

Conclusion

Finding the Sweet Spot. The round table arrives at a conclusion that a balanced and strategic approach to existing solutions offers an opportunity to transform the market for adaptations.



Figure 1: Strategic Approach to Procurement of Adaptations

¹² <https://www.nahb.org/Education%20and%20Events/Education/Designations/Certified%20Aging-in-Place%20Specialist%20CAPS>



Creating a Market

Discussion Introduced by Ruth Ingledew, CEO of AKW. Manufacturers estimate there are currently about 400,000 homes needing adapted bathrooms. Current supply - through DFG, self-funded installations and newbuilds - only keeps pace with rising need driven by demographic change rather than the historic shortage.¹³ Despite this latent demand, the market fails to take up the lag. Market failure is not a result of options or choice but an advice and information deficit, and safeguarding concerns on the part of potential customers and their families over which builder to choose. AKW proposes a government funded independent digital portal:



Figure 2: Online Portal High level process/journey

It is proposed that this portal would take a multi-media approach to reach as many as possible. It would be heavily promoted through primary & secondary health services as well as the usual housing related networks to those in need of adaptations and their concerned relatives. Referrals to approved contractors would then amplify the positive effects that demand by greater numbers of self-funders demand the bathrooms they want, which will drive innovations in design and manufacture as the industry responds, which in turn will draw in greater numbers of trained contractors.

Barriers

- Advice and information must retain independence and it is therefore difficult for the manufacturers to fund directly, while contractors would not want the additional cost without guarantee of work.
- There is therefore no driver to fund the web-portal.
- The language and imagery on adaptations and successful ageing in place needs to change. This is currently concentrating on growing care and support needs and instead needs to make our last home as exciting to build as our first.
- Creating a new portal will require a huge marketing effort to capture people at precisely those points their lives are changing and decisions about how to age well in place need to be made.
- Existing on-line assessment tools and housing information and advice websites are niche, difficult to find and often meant for professionals, guided assessment and over-medicalised.

Considerations

Funding

The round table reflects the fact that Government does no marketing on the DFG or the need for adaptations in general. DFGs and home adaptations are a microcosm of the way people make decisions about how to live with changing needs. However, a range of considerations will need to be reflected on a mainstream website or portal, if people are to engage with decisions which are still commonly defined as a choice between an unchanged family home and residential care.

There may well be a role for statutory authorities to encourage planning for ageing well in place. However, that encouragement is likely to sit with Public Health and those authorities in which an ageing society is putting particular and disruptive pressure on local health and care services. Furthermore, some contributors to the round table note that Government sponsored information and advice services struggle getting mainstream traction. People seem to trust corporations such as Google, Amazon and Facebook more with their data than they do Government. Indeed, it was noted that in terms of better integrating health, care and housing systems, the tech companies are likely to find socially acceptable ways to provide assistive technology and join up services than any top down approach.

It is therefore likely that any web-based portal will have to be private sector and industry led, in partnership with all tiers of government and health services. A third party will then need to

construct a mainstream, mass marketing platform to socialize people into thinking about adaptations.

Contents

Contributors also have ideas about how people should be engaged and what should be on the portal. People face a series of tricky problems when the home they live in becomes an issue as their health and wellbeing changes. The website or portal will need to create a structure around how people make decisions about what help is out there and what is available. Certainly photographs, videos and easy navigation through bite sized decision-making points are better ways to engage people than directories or unabridged advice and information.

Conclusion

The Foundations Round Table closed with an announcement from Paul Smith that a joint Leeds Beckett University and Foundations bid for Innovation UK funding has been successful. This bid is predicated on the development of a web based DFG portal. Contributors' thoughts and ideas reflected in this day's discussions will inform the design of that new portal. There are five elements to this bid:

- Online assessment of whether your home is meeting your needs as a disabled person
- Online self-assessment of DFG eligibility
- Dynamic procurement system for DFGs built into Foundations Case Manager
- Machine learning to improve disability adaptation registers
- Management of contractors for DFG projects built into Foundations Case Manager

Foundations should like to thank

Westminster City Council: For their hospitality in hosting the Foundations Round Table in their magnificently refurbished meeting suite on the 18th Floor of Westminster City Hall.

Housing 21: For supporting the Foundations Round Table by providing an Independent Chair able to direct and encapsulate discussions with grace, charm and experience of the wider housing sector.

Speakers from Fusion 21 and AKW: For introducing putting up their vision to be scrutinised by a jury of formidable peers.

The Participants to the Round Table: For allowing us to benefit from the years of commitment, experience and insights accrued over a lifetime supporting vulnerable and older people.

The Participants are:

Participant	Organisation	Role
James McCarthy	Housing 21	Chair
Steven Fletcher	MHCLG	Civil Servant
Corinne Gray	MHCLG	Civil Servant
Ed Warner	Motionspot	CEO Accessible Design Company
Robin Means	Care and Repair England & WECare	Academic
Philippa Winstanley	Herefordshire Council	Local HIA lead and OT (housing section)
Tom Gilchrist	Bristol City Council	Local Housing Authority Officer Yes
Mark Slater	Archadia	Architect
Phil Woodhead	Fusion 21	Supply Chain Managers
Nick Ginnelly	Stannah	Director
Ruth Ingledeew	AKW	CEO
Angie Ridgwell	County Council Network and Lancashire County Council	Local Government Association & DAS
Laura Wigzell	The Pretty Good Project	CEO co-production specialist
Ian Spero	The Agile Ageing Alliance	
Paul Smith	Foundations	Director
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