

Report for: Cabinet, 9th July 2018

Title: Approval to develop Linden House into supported accommodation for adults with complex health and care needs

Report authorised by : Charlotte Pomery, Assistant Director Commissioning

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Ward(s) affected: West Green

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1 Linden House is currently a vacant premise formerly used as an 8-bedded residential unit for people with profound learning disabilities. This report recommends the acceptance of the tender from Contractor E in the sum of £888,900 to convert Linden House into a 4-flat adapted supported living unit to enable residents with complex health and care needs – notably a learning disability and/or autism and behaviours that may challenge – to live more independently in the community, including a number of residents currently living in hospital settings and therefore falling within the Transforming Care cohort.

2. Cabinet Member Introduction

- 2.1 This report sets out an excellent opportunity to develop a valuable Council asset, Linden House, into a specialist supported living unit for some of our most vulnerable residents. The partnership approach adopted, reflected in the use of both NHS England and Haringey Council capital funding, will support better outcomes in the community for people with very complex needs who may otherwise be placed out of borough or in acute settings.

3. Recommendations

- 3.1 To approve the appointment of Contractor E to deliver the refurbishment of Linden House for a contract sum of £888,900.00;
- 3.2 To authorise Haringey Legal Department to issue a Letter of Intent prior to the formal contract signature for the sum of £100,000.00 as allowed under the Council's Contract Standing Order (CSO) 9.07.3 to allow work to start on site as soon as possible; and

3.3 Vire £420,000 from scheme 208 Supported Living Schemes to Linden House Adaptations scheme 212.

4. Reasons for decision

4.1 The authority procured the contractor through the London Construction Plan (LCP) Framework. This procurement route was a decision made after consultation with Strategic Procurement regarding the options open to us for a project of this size and type.

5. Alternative options considered

5.1 An option not to proceed was considered but rejected on the grounds that there is a pressing need for local provision for this cohort of vulnerable people.

6. Background information

6.1 There is a shortage of adapted supported accommodation in the borough for people with very complex needs, including those with a learning disability and/or autism with behaviour which may challenge. The proposed contract award represents an important stage in the conversion of Linden House into a 4-flat adapted supported living unit for this care group.

6.2 The works have been designed to Stage 4 of the Royal Institute of British Architects (RIBA) Plan of Work 2013. £1,270,00.00 Capital funding was approved in March 2019 by the Capital Board to support the refurbishment works to Linden House.

6.3 The project was tendered using a lump sum single stage Traditional method of procurement.

6.4 A list of nine companies was generated using Lot 1 of The London Construction Plan (LCP) Framework, following an Expression of Interest Exercise, five were invited to submit a proposal in response to an Invitation to Tender. Three responses were received and evaluated.

6.5 During the evaluation process, post tender clarifications were sought and fully responded to. The tender was based on a 60% quality and 40% price bid and contract period of 26 weeks.

6.6 A quality assessment was conducted by an Evaluation Panel, comprising the Project Delivery Team Project Manager, Commissioning and Quality Assurance Officer and Lead Design Consultant. A pre agreed list of questions relevant to this project was included in the tender as part of the Qualitative Delivery Proposals (QDP). Each question was offered a score between 0 (for question not answered) to 5 (excellent) together with a weighted score.

- 6.7 The outcome of the quality and price scores is shown in the table below.
- 6.7.1 Contractors A and B both Declined to Tender.
 - 6.7.2 Contractor C scored a total of 87.44% comprising a score of 47.44% for quality and 40.00% for price.
 - 6.7.3 Contractor D scored a total of 73.54% comprising a score of 40.47% for quality and 33.07%for price.
 - 6.7.4 Contractor E scored a total of 99.65% comprising a score of 60.00% for quality and 39.65% for price.
- 6.8 Quality and cost queries addressed through the clarification process with the contractor have been satisfied.
- 6.9 The recommendation is to award to Contractor E as their tender was the most economically advantageous compliant tender and scored the highest combined marks for quality and price and is within the budget allowances.
- 6.10 The recommended tender submission is considered to offer good value for money.
- 6.11 The quantity surveyor for this project is satisfied with the pricing offered by Contractor E.
- 6.12 The defects liability period (rectification period) is 12 months. The contract is to be awarded on a fixed price basis.
- 6.13 The procurement route is based on a traditional form of contract – JCT 2016 Standard Building Contract with Approximate Quantities.
- 6.14 Tenders include all construction costs, site establishment and management costs, contractors overhead and profit.

7. Contribution to Strategic outcomes

- 7.1 This project proposal helps to support the Priority 2 outcomes as outlined in the Borough Plan 2019 – 2023.

8. Statutory Officers comments (Chief Finance Officer, Procurement, Assistant Director of Corporate Governance, Equalities).

8.1 Finance

- 8.1.1 The current approved capital programme includes within Adults provision for adaptations to properties to provide supported living. At the time that the budget was set, the individual projects were not known so a general provision was made. The budget in the approved capital programme for Supported Living schemes was included on the assumption that it would be self-financing. The recommended virement of £0.420m is required to provide enough resources to complete the scheme.
- 8.1.2 The Linden House project was included within the approved capital programme on the assumption that it would generate savings after taking into account the cost of the borrowing (c£45k per annum) that would need to be undertaken to deliver the scheme.
- 8.1.3 An operating model has been developed for Linden House post redevelopment, along with a detailed revenue account. It is proposed that four clients currently in high cost placements will live at Linden Road. Currently the cost of housing these clients is £1.306m per annum. The operational model for providing for these clients at Linden House is estimated to have a net cost of £0.920m per annum. This reduction in cost, along with the virement required for the capital financing costs of £45k per annum, will be factored into the MTFS.
- 8.1.4 The overall budget for this scheme, after the recommended virement, is set out in the table below:

		£000's	£000's
Costs	Construction	889	
	Fees & other costs	381	
	Total		1,270
Funded by	NHS Grant	650	
	LBH borrowing	620	
	Total		1,270

- 8.1.5 The NHS grant has already been received. The recommendation to accept this tender can be contained within the overall budget available.

8.2 Procurement

8.2.1 This contract award from the London Construction Programme Framework is being awarded from an OJEU compliant framework in accordance with clause 7.01b of the Council's Contract Standing Orders.

8.3 Legal

8.3.1 The Assistant Director Corporate Governance has been consulted in the preparation of this report and comments as follows.

8.3.2 Procurement has confirmed that the contract was procured through the London Construction Programme Framework.

8.3.3 Pursuant to the Council's Contract Standing Order (CSO) 7.01(b) and Regulation 33 of the Public Contracts Regulations 2015, the Council may select one or more Contractors from a Framework established by a public body where the Council has been named in the OJEU Contract Notice.

8.3.4 Pursuant to the Council's Contract Standing Order (CSO) 9.07.1(d), Cabinet may approve the award of a contract if the value of the contract is £500,000 or more and as such Cabinet has power to approve the award of the Contract in this Report.

8.3.5 Pursuant to CSO 9.07.3 a Director may approve the issuance of a Letter of Intent for the sum not exceeding £100,000 or 10% of the total contract price pending the execution of a formal contract if satisfied that it is in the best interest of the Council to do so. Cabinet therefore has power to authorise Haringey Legal Department to issue a Letter of Intent to the value of £100,000.

8.3.6 The Assistant Director of Corporate Governance sees no legal reasons preventing Cabinet from approving the recommendations in the report.

8.4 Equality

8.4.1 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

- 8.4.2 An Equality Impact Assessment has been completed for the proposed refurbishment of Linden House, is included as Appendix B to this report.
- 8.4.3 This site will be used to support the discharge of residents with complex needs from hospital, or acute, settings under the Transforming Care programme, to reduce the risk of admission to such hospital or acute settings or indeed to provide supported living provision to other adults with autism and/or a learning disability.
- 8.4.4 There is a shortage of adapted supported accommodation in the borough. Seeking to develop more adapted supported accommodation for adults with a learning disability and/or autism in Haringey will have a positive impact on people with disabilities who disproportionately access these services. This is in line with the decision taken by the council back in November 2015 to empower all adults to live healthy, long and fulfilling lives.
- 8.4.5 It is not expected that this decision will have any negative impacts on individuals or groups who share the nine protected characteristics. The decision will make available supported living units in the borough to enable residents with complex health and care needs to live more independently in the community. This is likely to have a positive impact on individuals with a learning disability, as well as those from ethnic minority groups, who are over-represented among this client group. As such, it is reasonable to anticipate a positive impact on residents with these protected characteristics.
- 8.4.6 Through the procurement process to obtain a care and support provider for the completed facility, the service specification will set out the requirements of providers from an equalities standpoint; in particular, the need to comply with the public sector equality duty, monitor and report on equalities information to the Council.

9 Use of Appendices

9.1 Appendix A – Equalities Impact Assessment

9.2 Appendix B – exempt information under the following categories (identified in amended Schedule 12A of the Local Government Act 1972): Information relating to financial or business affairs of any particular person (including the statutory holding that information), and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

Local Government (Access to Information) Act 1995

9.3 List of background documents:

This report contains exempt and non-exempt information. Exempt information is under the following categories (identified in amended Schedule 12A of the Local Government Act 1972): Information relating to financial or business affairs of any particular person (including the statutory holding that information), and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.