

MEETING TITLE AND DATE:

Cabinet Meeting, 23rd July
2014

REPORT OF: Ray James

Director of Health Housing
and Adult Social Care

Contact officer and
telephone number:

Peter Child – 07710 327 884

E mail: peter.child@enfield.gov.uk

Agenda – Part: 1	Item: 13
Subject: Reprovision Project	
Wards: All	
Key Decision No: 3963	
Cabinet Member consulted:	
Councillor Don McGowan	

1. EXECUTIVE SUMMARY

1.1 The Cabinet and full Council in July 2013 agreed to commission the design and construction of a dual registered care home and then procure the service delivery aspect of the project separately via a contract of an appropriate length as the proposed preferred option.

1.2 Atkins Global Ltd (the multi-disciplinary design team) have; undertaken a feasibility study on the proposed project and site, prepared scheme designs and associated documentation, and submitted a Planning Pre-Application from which advice has been provided by the Council's Development Control service.

1.3 It is proposed to appoint the preferred bidder (detailed in Part 2 of this report) as building contractor selected via a competitive procurement exercise undertaken through the iESE framework to deliver the pre-construction stage of the project and then, following this, to be appointed to construct the building.

1.4 It is envisaged that building construction will begin late this year 2014 and that the new registered care home will be occupied by the resident group and begin operation by February 2016.

1.5 In terms of scheduling the tender process for the service provision contract, we would expect this to be launched approximately 15 months prior to completion of construction of the building.

2. RECOMMENDATIONS

2.1 To note the content of this report; and

2.2 To agree to appoint the preferred contractor at a contract sum as detailed in the accompanying Part 2 report, following a procurement process undertaken utilising the iESE framework to undertake:

- Pre-construction stage of the new Reprovision Project residential nursing and care home and, subject to satisfactorily undertaking this work, to
- Construction of the new care home facilit

3. BACKGROUND

3.1 This report seeks authority for the Council to enter into a contractual agreement to appoint preferred contractor (detailed in Part 2 of this report) following a procurement process undertaken utilising the iESE framework to undertake:

- Pre- construction Services for the new Reprovision Project residential and care home and subject satisfactorily undertaking this work
- To undertake the construction of the new facility

The commissioning of the construction of the Reprovision Project building was previously agreed by Cabinet July 2013 and funding approved by full Council

3.2 The Reprovision Project remit has been to re-organise and improve care provision to older people through the reprovision of two Local Authority run Care Homes (Coppice Wood Lodge and Bridge House) that in the future will not be registerable by CQC and to re-provide a high quality service within a single new purpose built building.

It should be noted that unless a viable alternative to Coppice Wood Lodge and Bridge House is developed, eg build a new Care Home, we will be unable to close the two facilities and consequently will not adequately meet needs of the client group. There have been clear commitments made to relatives of service users and others to reprovide these services, and also the former Elizabeth House service, into a single new facility. Investment into the two existing homes has been curtailed over recent years in view of this proposal.

If the buildings were to be retained as operational buildings, investment would be required to improve their condition. They would still not meet the required space standards, to do so would require considerable capital investment, which may still not fully address these deficiencies, most notably the requirement for bedrooms to be a minimum of 12 square metres, and the provision of en-suite bathrooms, which is now considered mandatory.

3.3 It has been planned that the new facility would provide care and accommodation for a minimum of 70 bedspaces for older people initially catering for the transferring resident population from the two closing care homes and then through time developing into a specialist facility for older people with dementia and/or nursing related need to be sited on the former Elizabeth House Site, 1 Old Road, EN3.

3.4 Consultation has been on-going and continues. This includes regular briefings with relatives, residents and staff of Coppice Wood Lodge and Bridge House on proposals, also Enfield Old Charitable Trust (owners of the Alms Houses adjacent to the site), partner agencies in health and voluntary sector. Feedback from these discussions has been extremely positive to the new development. As part of our planning permission process further consultation will be undertaken with agencies in the local area eg schools and local community.

3.5 Since the project was agreed by Council (2013) we anticipate that there may be some cost increase due to inflation levels within the building industry, costs associated with potential requirements of the Council's Development Control service, and the decision to fit a fire sprinkler system within the facility. There previously has been no advice in relation the requirement of a sprinkler system.

- 3.6 The proposed building will be environmentally sensitive in a number of ways. Current proposals for consideration for example include air source heat pumps,, low carbon emission, photo voltaic solar panels and considerate landscaping and planting. The planning requirement is to provide 40% of energy requirements from renewable sources.

3.7 **Brief Summary of Demand over the next 3 – 5 Years**

There are potentially three groups of older people who may present with the complex needs described above in terms of the eventual future service user population and therefore maybe at risk of admission to residential/nursing care (Taylor *et al*, 2010). Some individuals fall into more than one category:

- Those with dementia (organic mental illness), some of whom may have challenging behaviours. The number with moderate or severe dementia – those frequently most at risk of admission - was estimated to be 1,225 in 2011;
- Those with significant (and often multiple) physical impairments that prevent them from undertaking activities of daily living because of frailty, disease and/or long-term conditions. It is estimated there are 4,050 older people aged 65+ years with higher levels of such dependencies in Enfield;
- Those with substantial nursing care needs including those with continuing health care needs. However, there is evidence that the health-related characteristics of individuals in nursing care are increasingly overlapping with those in residential care (Lievesley, Crosby & Bowman, 2011).

There is likely to be an increase in the number of the first two groups over the next 3–5 years (e.g. the number of those with dementia increasing by 10% between 2015 and 2030), driven by an increase in the number of older people and improvements in overall life expectancy, it is expected that this population will increase significantly over the next 20 years. There is also clear evidence within the third group that there has been an increase in the number of people with these complex conditions over the last 5 years in Enfield – although the impact of this has been to some degree minimised (demand reduced) through re-ablement and rehabilitation programmes which have enabled some to remain in the community/supported accommodation. However it should be recognised that the Reprovision Project is geared to respond the needs of those with the higher levels of complex need who require a specialist nursing/residential care facility.

Current experience of the Council in seeking to place service users into residential nursing care shows a significant shortage of available accommodation within the borough and neighbouring areas and evidence shows that this shortage it likely continue due to increasing demand.

3.8 **Cabinet/Council Decision**

In July 2013 Cabinet agreed the following recommendations (with Council agreeing capital funding for the project);

1. Commission the building of the dual registered nursing and residential care facility;
2. Then procure the service delivery aspect of the project separately;

3. Commission the facility in a manner that ensures the most advantageous cost, and is of a quality fit for purpose, reflecting best value to the Council. This may include commissioning through the use of a framework agreement such as Scape, or other, as appropriate;
4. Approve the addition of the Reprovision Project to the Council's capital programme, at an estimated project cost of £6.86million, over 37 months, which includes expenditure on professional and technical costs. To facilitate undertaking inception, feasibility and scheme design stages estimated at £200k; and
5. Recommend that delegated authority be given to the Director of HHASC and the Director of FRCS to authorise further expenditure for professional and technical costs as may be necessary for taking this project to formal contract execution stage.

Cabinet agreed that the Council commission the building and through the construction contract ensure that the development be to an acceptable level of quality, at a fixed price, and with provision for flexibility, thereby future proofing the building allowing for future changes in the sector. On-going running costs of the building will be dealt with as part of the contractual arrangement with the selected care service provider.

- 3.9 Following this Atkins Global Ltd were appointed as the multi-disciplinary design team through the Scape framework. To date they have:
 - Undertaken a feasibility study on the proposed project and site
 - Prepared scheme designs and associated documentation
 - Submitted a Planning Pre-Application to which advice has been provided by the Council's Development Control service
- 3.10 In terms of appointing a building contractor it was decided to use a framework agreement due to the estimated cost of the facility being over the EU threshold for works (£4,322,012) so would be subject to a full EU procurement exercise unless a pre-tendered OJEU complaint framework could be utilised. The main advantage to the Council of using a framework agreement is that it avoids having to go through the full OJEU process resulting in:
 - reduced commissioning costs
 - significantly reduced timeline for the development of the facility
 - risk transfer away from the Council
 - consume less resources in undertaking the tender process
- 3.11 Following a review of framework agreements which were available to the iESE (Improvement and Efficiency South East) framework created by Hampshire County Council was identified as the most appropriate. This offered a number of potentially

suitable building contractors (8) with substantial capacity and relevant care home construction experience.

The iESE framework is in its second generation, two years into a four year agreement, and spend to date is over £1b. It is a well-regarded framework, operated by Hampshire County Council. EC Harris, a leading international construction related consultancy have provided an independent view of this framework and have advised that this framework is an appropriate procurement vehicle for this project.

Following the authorisation via an operational DAR, Legal Services signed and sealed an Access Agreement with iESE allowing use of the framework.

iESE has enabled the Council to run a mini-tender exercise within the framework, thus supporting delivery at best price/quality and at a timescale that enables moving the project forward proactively.

3.12 The procurement process was as follows:

- All eight major contractors on the framework were notified and invited to submit expressions detailing experience, capacity, approach etc.
- Framework evaluation has down-selected through a two-stage bid process, initially to three contractors, based on a capability assessment, then to a single contractor.
- It is proposed that the selected contractor is appointed under a “Pre-Construction Agreement”, during this period they are paid a fee to develop the design, , develop the detailed design and specification and obtain tenders for the work packages from suppliers and subcontractors which constitute the inputs to construct the building via an open book process. At that stage the full cost of the scheme can be fixed and a building contract entered into.

3.13 Unlike some frameworks, this is a managed framework, with Hampshire County Council /iESE taking a continued involvement in the project, tracking costs and progress utilising KPIs to maintain competitive tension and promote continuous improvement. iESE will also take action where there are performance issues, and can reduce a contractor’s future tendering opportunities where such issues are serious.

3.14 The iESE framework includes a Shared Apprenticeship Scheme developed in partnership with the CITB, endorsed by the Skills Funding Agency. Two not-for-profit organisations, CoTrain and Evolve work closely with contractors to identify placement opportunities. All iESE projects have an Employment Skills Plan enabling the local authority to exploit all training opportunities at minimal cost. Further details on potential numbers of apprentices and monitoring regime will be developed in due course as the project develops. The current position is that using the framework evaluation process we have selected a preferred single contractor at a fixed contract detailed in Part 2 of this report.

3.15 The following summary schedule for construction is envisaged:

Contractor Appointed for Pre Construction Stage	Summer 2014
Contractor Appointed for Construction Stage	Autumn 2014
Contract Executed	Winter 2014
Building Completed	Winter 2015\16
Building occupied and operational	Winter 2015\16

- 3.16 In terms of scheduling for the tender process for the care service provision contract, we would expect this to be launched approximately 15months prior to completion of construction of the building.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Prior to the Council decision in July 2013 to make funding available for construction of the new care home a number of options were identified:

- The Council to commission the construction of building of the dual registered facility and then procure the service delivery aspect of the project separately
- Provide site ownership to a provider chosen via tender competition for them then to develop and operate a dual registered care home on the site for the benefit of Enfield residents in need.
- Close Current Homes and re-provide with Dementia Bed spaces from the market
- Abandon the Reprovision Project completely and continue as current

- 4.2 Following discussion Option 1 – i.e. The Council to commission the construction of building of the dual registered facility and then procure the service delivery aspect of the project separately via a contract of an appropriate length is the proposed preferred option this was decision was informed by:

- The Council's capacity to raise funds through using its borrowing facility;
- It has always been envisaged that the building should be future proof to meet changing needs.
- The potential for shifting the balance of type of accommodation as needs change.

5. REASONS FOR RECOMMENDATION

- 5.1 The recommendation will facilitate the continuation of the programme to construct a new care facility through providing authorisation to appoint a contractor to undertake pre-construction services, and in due course, subject to satisfactory conclusion of that stage, the construction of the building.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

Financial implications are contained in Part 2 of this report

6.2 Legal Implications

- 6.2.1 The Authority is the Social Services authority for the London Borough of Enfield, within the meaning of the Local Authority Social Services Act 1970,

and has the responsibility as defined under the National Health Service and Community Care Act 1990 to provide community care services.

- 6.2.2 The Authority is empowered to procure care services pursuant to Section 1 of the Local Government (Contracts) Act 1997, Section 29 of the National Assistance Act 1948, Section 45 of the Health Service and Public Health Act 1968 and the Localism Act 2011. The re-provision of a residential and nursing care home at Elizabeth House is in accordance with the above legislative powers.
- 6.2.3 The estimated value of the reprovision Works is above the EU threshold for works so would be subject to the Public Contracts Regulations 2006. However, the procurement exercise would be simplified as there is an existing framework agreement in place which the Council can utilise.
- 6.2.4 When procuring from the Framework Agreement the Council must ensure that the protocol set out under the Framework Agreement and its Call Off terms are adhered to.
- 6.2.5 Throughout the procurement of the Council must ensure that best value is achieved in accordance with the Local Government Act 1999.
- 6.2.6 The resultant contract must be as per the Call-Off terms and in a form approved by the Assistant Director of Legal Services.

6.3 Property Implications

The rationale for the Reprovision Project is referred to in the background section of this report, and has been set out in previous reports. This report specifically seeks authority to accept the supplier's offer for pre-construction and construction stages, following a due competitive process.

The new building would be an additional property asset added to the Council's portfolio, while Coppice Wood Lodge and Bridge House Care Homes will potentially become surplus to requirements, unless alternative uses are identified.

7 KEY RISKS

Key Risks and countermeasures	
Relevant risks for each objective and the potential impact	Existing processes / mitigations that are in place to manage the risk
The building fails to meet changes to regulations.	Future proofing to be built into.
Building costs could come in over budget.	Feasibility study has been undertaken, cost plan has been developed, fixed price contract
We may not be able to obtain the planning consent in terms of the desired shape, size and density. There are site constraints to consider.	Consultants (Atkins) have advised that we the proposed building will provide a minimum of 70bedspaces. A Planning Pre-Application has been submitted and we received feedback on this, we are currently updating building design and following this a planning application will be submitted.
Planning approval delayed or not given.	Effective working by key Project Officers in conjunction with Development Control and selected construction provider will reduce risk.

Site quality is unknown thus giving rise to potential for delays and/or increased costs.	Ground and other surveys currently being conducted to identify any issues.
Provider (Works) contractors unable to fulfil their commitment due to the economic climate.	We will test bidders financial viability, access to resources and turnover during the Works tender evaluation stage in order to select the best service provider to deliver this Care Home. We will also require the providers to take out a bond for the construction period.
Failure to build to a suitable standard may result in residents staying longer in existing care home services that are below the CQC minimum standards in terms of physical environment.	A design brief has been created that outlines high level standards for the care home service and common living standards. The facility will be regulated by Care Quality Commission and its National minimum standards contained within legislation.

8 IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The procurement processes have been conducted in accordance with both the Council's Contract Procedure Rules and EU procurement rules. Therefore the procurement processes are transparent and fair and have encouraged healthy competition.

8.2 Growth and Sustainability

The new Reprovision Project facility will offer potential work opportunities in an area of employment need in the Borough. It will contribute to the regeneration of the physical environment by the development of an attractive, quality building on a currently empty site. The facility and its operations will be developed in line with best environmental practice. The building will be required to meet BREAM (Building Research Energy Assessment Method) "Very Good" rating, and generate 40% of its energy via renewable sources.

Public sector procurement in the UK is governed by the Public Contracts Regulations 2006 (as amended). These permit the inclusion of social considerations where they are relevant and proportionate to the subject matter of the contract (see below) and they do not disadvantage non-local bidders. Officers involved in procurement have utilised the LBE Community Benefit toolkit to incorporate social and community benefit considerations into the process, as far as this dovetails with iESE's own similar provisions, as referred to previously.

The iESE framework includes a specific scheme for supply chains, called "SAVE" (Strategic Alliance for Value and Efficiency). This is an integral part of the iESE major works construction framework providing an integrated supply chain offering. This scheme covers the eighteen most common packages of works procured by the eight iESE framework contractors. Fifty six key suppliers have agreed additional discounts for iESE projects. Suppliers not in this scheme are also able to bid in competition (the discount of those in the SAVE scheme is not factored into the evaluation of their bids), so there is the potential for the local supply chain to compete and win business with the selected main contractor.

Once in contract, the performance of the contractor will be monitored against sustainability / employment criteria, and sub-contracting to local SME's will be encouraged.

8.3 Strong Communities

The iESE framework includes well developed mechanisms for engaging apprentices during the construction contract. The Council's Community Benefit Toolkit will be applied to further strengthen benefits from local labour and supply chains.

The new service will contribute to the community by providing a quality service to vulnerable older people in the borough, and support maintenance of family relationships, provide employment opportunity to borough residents and potentially be of benefit to other local businesses.

Carer, Resident and Local Community Advocacy Group representatives will be pivotal to working in partnership with the Authority to ensure that the service meets the diverse needs of the Enfield community.

As part of the procurement process, there will be emphasis on the need for the new service provider to demonstrate commitment to developing strong working relationships with local advocacy and community groups and access resources within the Enfield Community.

This will also provide a care home facility in an area where they are scarce, so giving access to those who may live in this area to remain in their community and close to family and local connections and improving the equality of access to services in the local area.

9 EQUALITIES IMPACT IMPLICATIONS

An Equalities Impact Assessment has been undertaken to inform and support the procurement of the service, the findings and recommendations from this are regularly reviewed and the document is updated as appropriate)

10 PERFORMANCE MANAGEMENT IMPLICATIONS

The iESE framework has defined processes and gateways, and utilises KPI's and benchmarking, which are overseen by the iESE Framework Manager to ensure that contractor performance meets or exceeds contract requirements.

11 HEALTH AND SAFETY IMPLICATIONS

Not Applicable

12 HR IMPLICATIONS

Not Applicable

13 PUBLIC HEALTH IMPLICATIONS

The development of the Reprovision Project on the former Elizabeth House site will create a major new nursing and social care residential facility which will provide enhanced benefit to the target service user group within Enfield and the wider population, specifically to the East of the borough which is presently under resourced in terms of older people's care and support facilities.