

AGENDA ITEM: 12 Pages 94 – 100

Meeting	Cabinet Resources Committee
Date	19 October 2010
Subject	Campus Re-provision Programme - Contract Award Intensive Supported Living Support Contract (contract reference: 50283)
Report of	Cabinet Member for Adults
Summary	<p>To seek approval to:</p> <ul style="list-style-type: none"> ❖ award the Intensive Supported Living Support Contract to Lifeways Community Care Limited; ❖ utilise earmarked capital funding and to forgo a land receipt should this prove necessary to support the development of appropriate accommodation as part of the Campus Reprovision programme; and ❖ the sale of the land to Notting Hill Housing Trust for the proposed scheme on the terms detailed in the report terms.

Officer Contributors	Abigail Garraway – Project Manager – Adult Social Services Gerry O’Kello – Deputy Head of Supply Management – Adult Social Services
Status (public or exempt)	Public
Wards affected	All
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in	Not Applicable

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1. RECOMMENDATIONS

- 1.1 That the Intensive Supported Living Contract be awarded to Lifeways Community Care Limited for a period of three years commencing on 30 November 2010, with an option to extend subject to satisfactory performance, for a further two years.**
- 1.2 That subject to written confirmation from the Department of Health that they will not reclaim the grant previously awarded as set out in paragraph 4.4, the Council enters into a development agreement with Notting Hill Housing Trust as outlined in recommendation 1.4.**
- 1.3 That a 125 years lease be granted on the Pert Close site, at Pert Close, London N10, to Notting Hill Housing Trust in accordance with the site's valuation, on condition that it pursues the development outlined in recommendation 1.4.**
- 1.4 That the development by Notting Hill Housing Trust consists of up to eight one bed supported living units which would be contained in a new building developed on the Pert Close site, in accordance with Section 6 of this report.**
- 1.5 That the requirement for a land receipt for Pert Close, London N10 be forgone, should this be necessary, to support the capital element of the Campus Re-provision programme as set out in paragraph 6.11 of the report.**
- 1.6 That the previous decision of Cabinet Resources Committee on 16 February 2006, as amended by the Leader of the Council and Cabinet Members for Resources by delegated powers on 23 February 2010, to sell the site to Notting Hill Housing Trust for a social housing scheme be rescinded, and approval to sell the site to Notting Hill Housing Trust as detailed in this report is granted.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee, 16 February 2006 – approved the disposal to Genesis for a social housing scheme at nil value, with nominations on the completed units.
- 2.2 Cabinet Resources Committee, 5 March 2009 (Decision item 9) – approved the appointment of Notting Hill Housing Trust as the Council's preferred developer for (i) development of the Broadfields Playground site at Warren Shawe Lane and (ii) further developments to meet the re-provision requirements of the Harperbury Hospital Campus Closure Programme.
- 2.3 The Leader of the Council and Cabinet Member for Resources by delegated powers (DPR 901) approved on 23 February 2010 the transfer to dispose Pert Close from Genesis Housing Group to Notting Hill Housing Group.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 It is intended that the Intensive Supported Living Support service and the supported living units will provide the basis for care provision to both:
 - Barnet residents of Harperbury NHS hospital campus identified as part of the Campus Re-provision project; and
 - Individuals whose social care needs are currently being met within residential care home settings.

- 3.2 The proposals in this report support the corporate plan priorities of 'Sharing Opportunities and Sharing Responsibilities' which includes the objective of 'embedding a safeguarding culture throughout Barnet to ensure all children, young people and adults remain safe' and 'Better Services with Less Money' as alternatives are developed to institutional care.
- 3.3 The Campus Re-provision programme is a nationally driven programme by the Department of Health to close all remaining long stay NHS beds for people with a learning disability. A national target has been set to close all campuses by end of 2010/11 which is monitored by the Care Quality Commission.

4. RISK MANAGEMENT ISSUES

- 4.1 The purpose of the Intensive Supported Living Support Contract is to ensure safe provision for the needs of very vulnerable adults. All services provided will be subject to cyclical review through regular contract monitoring meetings involving specialist learning disability staff. The specification has been based on detailed assessments of individual's needs and there will be a requirement for the service provider to fully involve service users and carers in all decision making to ensure that the support provided is flexible and responsive to individual's circumstances.
- 4.2 NHS Barnet (NHSB) and the Council have formally agreed a pooled budget through a Section 75 arrangement to support the resettlement of the campus clients in the Borough. The transition plan consists of:
- Phased person-centred discharge planning arrangement for each service user lasting up to 3 months.
 - A multi-disciplinary discharge planning process involving key health and social care professionals including staff from the new provider as well as service users, their families and/or carers.
 - Shadowing arrangement between the current and new service provider.
- 4.3 Consequently, NHSB and the Council will be required to make dual payments to account for this unavoidable transition and resettlement process. Tenderers were required to provide a detailed transition and implementation plan including set up costs to safeguard against any cost over run.
- 4.4 The Department of Health and NHS Barnet have agreed to provide the necessary capital resources (£148,000) per individual (£990,000) in total to fund the capital costs of the supported living developments. This capital was provided in accordance with Department of Health's capital grant conditions that the capital is spent within the financial year 2009-10. A lack of suitable and available sites has hindered progress, which has the potential risk that the capital grant may be reclaimed by the Department of Health. This risk continues to be mitigated through ongoing monitoring returns to the Department of Health, keeping them appraised of progress and through seeking written confirmation that the capital funding if utilised as set out in this report will not be reclaimed by the Department of Health. The Department of Health have indicated their agreement with the Council's approach.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Equalities considerations have been taken as part of the Council's strategic procurement policy. Equalities considerations have been made in the management of the tender process, including evaluation of tenderers' equalities and diversity policies concerning employment practice and service delivery. The contract for the new services will include explicit requirements fully covering the Council's duties under equalities legislation.
- 5.2 All private or voluntary organisations providing public functions are also subject to the Equality Act 2010 and the appointed service provider will be expected to comply with all the Council's equality and diversity policies and procedures.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The total capital funding from Department of Health and NHS Barnet for the Campus Re-provision for eleven clients is £1.512m. £592,000 has been committed to the Broadfields Playground development as phase one of the Campus Re-provision programme, which utilises the capital allocation for four campus clients. This leaves £920,000 of capital to fund further the phase two development to re-provide for the remaining five clients.
- 6.4 The proposed site for the phase two development is the car park at Pert Close N10. Pert Close is located in an established residential area, south of the North Circular Road, and consists of 10 residential blocks of Council owned 1960's built maisonettes, and 3 car parking areas. The car park proposed for this development extends to an area of 0.21 acres and has been identified as under-utilised and suitable for residential development for social housing.
- 6.5 Notting Hill Housing Trust as the housing partner for the project have submitted a proposal to develop eight one bed units at Pert Close. This proposal would ensure that sufficient units are built to re-provide for the remaining five campus clients as well as providing an additional three units for other clients with complex needs. This proposal will maximise the site as it will support the achievement of revenue savings for Adult Social Services through moving three individuals in high cost placements to a locally managed supported living scheme.
- 6.6 Property services have completed a valuation of the site and confirmed the value of the £240,000 for Pert Close.
- 6.7 Where a scheme is funded by Homes & Community Agency grant a receipt is commonly requested together with a nominations agreement. The benefit for transferring at nil value should Homes & Community Agency grant not be available is that the benefit is accrued via the nominations agreement on the completed units, which represents the consideration for the land receipt. As this site is under the threshold it falls within the General Consent under Section 25 of the Local Government Act 1988 for the Disposal of Land to Registered Social Landlords and specific consent is not required. Notting Hill Housing Trust are working with the Council to complete detailed designs, in readiness to submit the required planning application.

Capital Implications

- 6.9 Notting Hill Housing Trust submitted costings for an eight unit scheme at Pert Close that assumes a required land receipt of £240,000 as shown in the table below.

	Expenditure £		Income £
Land	240,000	DH/PCT Monies	920,000
Build	1,132,800	Other Income Required	460,000
Design Fees	45,312		
On-costs	234,232		
Interest	10,208	Building loan (financed through rents)	282,552
Total Scheme Costs	1,662,552	Total Receipts	1,662,552

- 6.10 In order for the eight bedded scheme to be financially viable, Notting Hill Housing Trust will be submitting a bid for this development to cover part of the £460,000 additional capital required for the scheme to Homes & Communities Agency (HCA). As public subsidy through the NHS Capital funding of £920,000 will be set against five out of the eight units, Notting Hill Housing Group can only realistically seek further public subsidy through the HCA for the three additional units. A realistic assessment of the level of HCA likely to be achieved is £220,000. Regeneration have indicated their view that a bid of this size to the HCA which enabled a start on site in this financial year is highly likely to be successful.
- 6.11 This report proposes that the capital receipt of £285,000 due to be paid to the Council by Notting Hill Housing Trust on 1 April 2011 for the Broadfields Playground site following completion of the phase 1 campus re-provision development is used to fund the shortfall of £240,000 of other income required to support the phase 2 development. The terms of this will be set out in the development agreement with Notting Hill Housing Trust. In the unlikely event that Homes & Community Agency funding is not available, then Property Services and Regeneration have agreed that the land receipt which would be paid to the Housing Revenue Account could be forgone.
- 6.12 This would enable the Council to support the development of the eight units and thereby support Adult Social Services move individuals living in high cost residential placements into supported living with a lower unit cost. If the land receipt is not forgone, an opportunity to maximise a site for supported living for people with a learning disability will not be feasible as the number of units developed would reduce to match the available resource envelope and no revenue savings as part of Adult Social Services 'move-on' project from this scheme would be realised.

Revenue Implications

- 6.13 The revenue costs associated with the Intensive Supported Living Support Contract will be met from a pooled budget managed by the Council established under Section 75 NHS Act 2006 between NHS Barnet and the Council as well as for non Harperbury clients, Adult Social Services purchasing budgets. The pooled budget consists of the current budgets for the named individuals who form part of the Campus Re-provision project and covers the revenue for the nine named individuals who are to be re-provided for from Harperbury. The costs arising from the intensive supported living contract will be managed within current budgets and do not represent a revenue pressure for the Council.
- 6.14 The Intensive Supported Living Support Contract procurement was conducted under a restricted tender process. This consists of a two-stage procedure with an initial invitation of expressions of interest, the submission of a Prequalification Questionnaire (PQQ), followed by an invitation to tender for those short listed organisations.

7. LEGAL ISSUES

- 7.1 For the purposes of European procurement rules, the Intensive Supported Living Support Contract falls within Category B of Schedule 3 to the Public Contracts Regulations 2006. Procurements of Category B services do not have to follow the full European procurement regime. However, as indicated at paragraph 6.9 above, a competitive process was carried out using the European 'open procedure' and this will have ensured compliance with the, relevant, Treaty principles.

8. CONSTITUTIONAL POWERS

- 8.1 The Council's constitution, Part 3, Responsibility for Functions, Paragraph 3.6 states the terms of reference of the Cabinet Resources Committee including all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

9. BACKGROUND INFORMATION

- 9.1 The 2006 "Our Health, Our Care, Our Say" White Paper stated that NHS residential accommodation for individuals with learning difficulties (i.e. NHS campuses such as Harperbury hospital) should be closed by 2010, with alternative provision made to enable them to be supported to live in ordinary housing in their local community, to increase their independence and access to appropriate health care and other services, and wherever possible, employment. In making this recommendation, this reinforces the principles outlined in the 2001 "Valuing People" White Paper, for improving the lives of individuals with learning difficulties.
- 9.2 This position is consistent with the Council's aim to promote independence and choice with the Barnet Campus Re-provision Programme seeking to give some of the most excluded in our community the opportunity to live in their own home with support.
- 9.3 To deliver on this objective, the Council has entered into Section 256 of the NHS Act 2006 agreements with NHS Barnet to cover both the revenue and capital aspects of the campus Re-provision Programme to ensure that there is the right support and the right accommodation in place to facilitate the closure of the long stay hospital beds and a successful move for the individuals involved. These agreements commenced on 1 April 2010.
- 9.4 A restricted tender process has been followed. The restricted tender process consists of:
Expressions of Interest – Expressions of Interest were invited on 5 May 2010, advertised through OJEU, the Guardian newspaper and the London Borough of Barnet website. Expressions of Interest were received from 43 organisations.

Pre-Qualification Questionnaire – The purpose of the pre-qualification questionnaire is to satisfy the Council that prospective bidders meet the required company checks in terms of all relevant legislative and regulatory requirements and have the minimum necessary experience to be considered for tender. Twenty-five organisations submitted completed pre-qualification questionnaires by the deadline of 14 June 2010.

Bidders Information Sharing Event – Following the evaluation of the pre-qualification questionnaires, 12 organisations were invited to tender. To assist and inform the bidders an information sharing event was held on 19 July 2010.

Invitation to Tender – Tenders were evaluated against the following evaluation criteria and weighting:

- 50% – quality assessed against method statements, assessed areas were
Capacity to organise and manage the service
Competence to deliver service outcomes
Experience and quality assurance
- 25% – cost assessed against submitted prices; and
- 25% – against performance at the interviews/presentation to the tender evaluation panel.

The involvement of service users and their carers was considered to be an essential component of the procurement process. Following discussion with service users and their carers it was agreed that their participation would be during the interview and presentation evaluation, which was undertaken by:

- Panel 1 – service users and carers panel which consisted of two service users and two carers supported by a member of staff from an advocacy organisation; and
- Panel 2 – officers panel which consisted of 6 officers including clinical staff from Barnet Learning Disability Service.

- 9.5 Twelve organisations were invited to the tender stage following the pre-qualification process. Tender submissions were received by nine organisations by the submission deadline of 23 August 2010.
- 9.6 The officers' panel, panel 2, met on 17 September 2010 to complete the evaluation and ranking of the tenders. The panel also discussed the experience of the evaluation and presentation process in order to allow feedback to be given and recorded.
- 9.7 The Council carried out additional activities in order to validate the tender submissions for the contract. These additional activities were financial strength and credit reference checks. References were also requested.
- 9.8 Following the completion of procurement exercise the officer's panel recommended that the contract is awarded to Lifeways Community Care Ltd.
- 9.9 A paper recommending the award of contract to Lifeways Community Care Ltd, was presented to and agreed by the Campus Re-provision project board on 28 September 2010.
- 9.10 To ensure that the required service quality is maintained the Intensive Supported Living Support provider is required to have its own internal quality assurance system, which includes standard setting, monitoring, management, scrutiny and review processes.

10. LIST OF BACKGROUND PAPERS

- 10.1 Pre-Qualification Evaluation Pack
- 10.2 Invitation to Tender Pack
- 10.3 Campus Closure Programme Project Documents
- 10.4 DH – Campus Capital Programme Bid – Stage 3
- 10.5 Anyone wishing to inspect these papers should telephone Abigail Garraway on 020 8359 4204.

Legal – PD
CFO – MC