

Report of Council House New Build Team

Report to Director of Resources & Housing

Date: 06st April 2018

Subject: Procurement via the North Yorkshire County Council framework to deliver Extra Care schemes across the city.

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Adel and Wharfedale, Ardsley and Robin Hood, Killingbeck and Seacroft, and Rothwell	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. This report seeks approval for the recommended procurement route to provide Extra Care housing schemes on sites in, Holt Park, Seacroft, West Ardsley and Woodlesford.
2. The sites form part of the Extra Care programme, which set out to Executive Board in July 2017 the proposals for extra care housing for older people across the City as part of the Council House Growth Programme, which also supports the Better Lives Programme.
3. A delivery partner will be procured via the North Yorkshire County Council (NYCC) Extra Care Framework to finance, design, build, manage and provide services through a single procurement process.

Recommendations

It is recommended that the Director of Resources and Housing:

1. Approves the decision to procure a partner to deliver Extra Care Housing across four sites in the city through a single procurement process utilising the NYCC Extra Care Framework.

1 Purpose of this report

- 1.1.** The purpose of this report is to seek approval for the procurement of a partner to deliver extra care housing on four sites located in the following wards – Holt Park, Killingbeck and Seacroft, Ardsley and Robin Hood and Rothwell. The procurement process will be undertaken using the North Yorkshire County Council (NYCC) Extra Care Framework.
- 1.2.** In line with the Contract Procedure Rules (CPR) 3.1.8, a decision to undertake procurement should be undertaken at the point the procurement route is chosen. The approval of the Director of Resources and Housing is required to enable procurement to progress in line with the proposals set out within this report.

2 Background information

- 2.1.** The Leeds Vision for Extra Care Housing is to work with partner organisations to construct more than 1000 units of Extra Care Housing by 2028 to meet the growing demand for this accommodation type and population forecasts.
- 2.2.** Extra Care housing is primarily for people who have care and support needs as well as a housing need. An extra care scheme;
 - Provides on-site access to 24/7 emergency or unplanned care which is an additional feature that separates it from other forms of retirement living.
 - Helps to alleviate social isolation through access to shared facilities, dining and activities.
 - Allows people to use their personal budgets in order to make their own alternative arrangements for the provision of planned care.
 - Is accessible and flexible accommodation designed, or capable of being adapted, to support the delivery of personal social and health care services (as regulated by the Care Quality Commission, CQC).
- 2.3.** The delivery of Extra Care Housing through the Council Housing Growth Programme ties in closely with the Best Council Plan 2017-2018 by providing housing as the city grows and supports the delivery of the Better Lives programme through:
 - supporting the health and well-being of older people who wish to live independently
 - providing an alternative to residential care
 - ensuring that older people have a wider choice of housing and care options including the provision of person centred care and support
 - increasing the supply of specialist homes for older people that are for rent, shared ownership and for sale.
- 2.4.** The July 2017 Executive Board Report on the Delivery of Extra Care, outlined the investment being made in the delivery of extra care as part of the Council House Growth Programme, the identified Council owned sites which should be dedicated to the delivery of extra care, the need assessment undertaken providing the evidence base for extra care and the potential revenue savings to the Council from the provision of additional extra care.

- 2.5.** In order to address this growing need, resources have been identified as part of the Council House Growth Programme to enable the Council to invest £30m in the development of Extra Care Housing across the city.
- 2.6.** A shortlist was proposed containing six Council owned sites which could be potentially used for the delivery of Extra Care, and Executive Board in July 2017 approved these six potential sites to enable the delivery of Extra Care Housing Programme.
- 2.7.** Since Executive Board considered the report on Extra Care delivery in July 2017, the Council's team has:
- undertaken market engagement with the North Yorkshire Framework to identify our wider plans and to encourage development in priority areas;
 - sought approval to the priority for site delivery from the agreed long list of sites
 - secured internal funding for site survey and investigation works and other enabling works to be commissioned;
 - sought the framework provider views on the remaining sites so that a delivery timetable and tenure mix for them can be established;
 - considered the legal and commercial structure required to purchase units from the providers where facilities will not be wholly Council-owned.
- 2.8.** Much of the preparation work around Council requirements and in commissioning site enabling and surveying activity is now underway or substantially complete so this should mean that the delivery of further sites can be accelerated although the framework providers have already identified the need for adequate timescales to complete design, planning and pricing work.

3 Main issues

3.1. Procurement Process

- 3.1.1.** The July 2017 Executive Board on the Delivery of Extra Care outlined the intention to utilise the £30m investment in Extra Care Housing and the six identified sites to enable the delivery of 200 council owned extra care units and to stimulate the market to deliver additional capacity.
- 3.1.2.** Since the Executive Board, the project team has undertaken market engagement with the providers on the NYCC Extra Care Framework to identify the most beneficial procurement strategy to enable the maximum delivery of extra care.
- 3.1.3.** It is through this engagement with providers and internally within the Council that the following strategy has been developed. This strategy includes two distinct elements:
- 1 Using the NYCC Extra Care Framework to engage a partner to provide extra care schemes which they design and build, finance and operate which will utilise some of the sites available.
 - 2 Run separate procurements on a design and build basis to procure Council owned extra care schemes for the remaining sites. This will likely mirror the

model used at Wharfedale View where the Council owns and manages the scheme, with care commissioned separately.

- 3.1.4. The Council has looked at various options for delivery and these options remains the quickest and most effective manner in which to secure the wider objective of a significant increase in extra care provision.
- 3.1.5. The first procurement under this project, and the subject of this report is to deliver extra care housing at the following four sites – Farrar Lane - Holt Park, Westerton Walk, West Ardsley, Former Seacroft Library – Seacroft and Windlesford Green – Rothwell. The Council will undertake a call off competition from the North Yorkshire County Council Extra Care Framework to appoint a partner to deliver all four schemes.
- 3.1.6. The organisations who have been appointed to the NYCC Extra Care Framework all have extensive experience and knowledge of delivering extra care who have already been through a rigorous procurement exercise in order to gain a place on the framework agreement. The appointed partner will be one of these organisations who may take the role of leading a consortium made up of a development contractor, Registered Social Landlord (RSL) and care provider.
- 3.1.7. The NYCC Extra Care Framework has been established to deliver extra care schemes through an end to end process. The appointed partner will be responsible for design and build, finance and scheme operation and service delivery (with core services being housing and buildings management, care and support and catering). The appointed partner will build the developments before purchasing each of the sites from LCC and the completed scheme will be owned by the partner organisation. Any tenants living with the scheme will be tenants of the managing RSL and not Council tenants.
- 3.1.8. Each of the four schemes will be mixed tenure schemes providing homes for outright sale, shared ownership and affordable rent. The Council will receive nomination rights to the affordable rent units on each of the four schemes.
- 3.1.9. This is a new approach and not a simple tendering exercise to deliver more of the same. The team will continue to work to secure the delivery of additional extra care as fast as possible.
- 3.1.10. To appoint the partner to deliver all four extra care schemes, the Council will undertake a price/quality competition under the NYCC framework. The price evaluation will look at key aspects including the care price, rent levels and cost for Housing Management. The quality evaluation will examine a range of factors including the construction programme, settling in period for residents and beyond, and how the design can produce positive outcomes for residents.
- 3.1.11. As part of the tender process, the provider will also be required to submit a phasing programme of works and services for all four extra care schemes that sets out timescales/milestones for delivery of the schemes which is achievable. The Council is seeking a partner to complete all for schemes by 31st March 2021.

- 3.1.12. It is proposed that this procurement exercise is run with a 60% quality and 40% price split. Detailed evaluation criteria will be approved by the Director of Resources and Housing in accordance with CPR 15.1
- 3.1.13. For the two remaining sites, Middlecross and Middleton, Leeds City Council will undertake a procurement for the design and construction of these schemes and would be responsible for management of the scheme. It is proposed that all units will be for rent and would be owned by LCC and funded through the Housing Revenue Account.

3.2. Site information

- 3.2.1. Site information has been sought for all of the four sites which will be subject to this procurement exercise. The surveys sought cover the following areas: topographical, bats, trees, utility mapping, site constraints and health and safety. These are developed through both through desk top exercises as well as more intrusive ground surveys.
- 3.2.2. The first site, Westerton Walk has a clear site and completed surveys. Windlesford Green and Farrar Lane are clear sites and the surveys are currently ongoing. Seacroft crescent will have the surveys completed following demolition of the existing structures on the site.
- 3.2.3. The procurement approach which is proposed allows work to begin on the first site, and site information to be passed on to the appointed partner for subsequent sites during the contract period.

3.3. Programme

- 3.3.1. Based on the partner approach to deliver the four schemes, the following timescales are envisaged:
- Tender out – April 2018
 - Tender return – July 2018
 - Contract Award - August 2018
 - Planning Submission – (Westerton) – October 2018
 - Completion of Design and Planning Approval (Westerton) – Feb 2019
 - Start on Site (Westerton) – March 2019
 - Scheme completion (Westerton) – July 2020 – based on a 16 month construction period. This may be reduced based on the construction method
 - Completion of all four sites – March 2021
- 3.3.2. The appointed partner will deliver the schemes as per the submitted phasing programme. The Council sees the relationship with the appointed provider as a

partnership approach and would expect the appointed partner to establish monthly partnership meetings as a minimum.

4 Corporate Considerations

4.1. Consultation and Engagement

- 4.1.1. A communication strategy for the Extra Care project has been developed by the project team which outlines the process for consulting and engaging with key stakeholders in relation to individual schemes and which will be applied to all the new build schemes delivered under the programme. People in neighbouring properties will be consulted appropriately as will other local residents/stakeholders through the life of the project.
- 4.1.2. Members in the affected wards have also been consulted on a quarterly basis as in line with the Communications strategy, including ahead of the initial Expression of Interest exercise, with further follow ups for members which have sites in the first package which came about as a result of this exercise.
- 4.1.3. Consultation has taken place on an individual basis with members, where appropriate, throughout the course of the project to date.
- 4.1.4. Tenant engagement will also take place using the Council's experience on previous housing projects, utilising a tenant procurement group where appropriate to ensure that tenants' views are being taken into account during the evaluation process. A comprehensive Stakeholder and Engagement plan is being finalised to ensure all relevant stakeholders are consulted and communicated with as required throughout the programme of work proposed.
- 4.1.5. In developing our extra care offer both Voice for Older Leeds Tenants and the Leeds Older People's Forum have been consulted and are very supportive of the approach we are undertaking to deliver specialist accommodation for older people in Leeds. Both these groups will be key stakeholders ongoing through the delivery of the project. We will also look to ensure we seek views from minority groups across Leeds through existing channels of consultation and communication.
- 4.1.6. As part of a wider client review, resident and staff evaluation has taken place within our current Extra Care provision in order to test the efficacy of the Leeds Model in improving outcomes for new residents and the projected benefits of our overall approach to care management. This feedback has provided baseline data about the comprehensive costs, benefits, and circumstances of residents moving into Extra Care housing and been used to inform both the design brief and the care and support specifications.
- 4.1.7. To support the delivery of this scheme, the Housing Growth Team/Project Team will engage with local members at the following points in the scheme development/procurement process:
 - Design Brief – Briefing on the design brief for the site and any constraints.

- Design Development – Site specific briefings will be arranged with the contractor’s architect upon appointment of the successful bidder and prior to planning submission.
- Contract Award – Briefings will be held to inform local members about the decision.
- Construction Phase – Local members will be informed of the start on site date and briefed on progress regularly throughout the construction phase.

4.1.8. Pre-planning meetings will be held with officers from Planning, Highways and building control prior to the submission of the planning application.

4.1.9. A local consultation event will be arranged prior to submission of the planning applications.

4.1.10. Item 4.1.5 above which sets out how tenants will be engaged in the procurement process. Opportunities for involving tenants and local tenant groups in the design development and detailed design process are being explored.

4.2. Equality and Diversity / Cohesion and Integration

4.2.1. An Equality, Diversity, Cohesion and Integration (EDCI) screening has been completed which looks at the potential impact of the delivery of up to 200 new Extra Care homes on equality, diversity, cohesion and integration as part of the wider Council Housing Growth Programme (CHGP).

4.2.2. It has determined that the proposals have a positive impact in terms of Equality and Diversity and that a full assessment is not required. The proposals reflect differences in need in relation to existing and predicted supply of Extra Care housing across the city’s neighbourhoods and seek to facilitate an increase in supply to meet current and predicted localised gaps in provision.

4.3. Council policies and best council plan

4.3.1. Making Leeds the Best City to Grow Old In has been highlighted as one of our seven Breakthrough Projects and a key strategic priority as set out on the Best Council Plan. We want Leeds to be an age-friendly city and one in which older people have a range of opportunities to live healthy, active and fulfilling lives. The Best Council Plan 2017-18 includes a number of the key priority areas will be supported by the delivery of extra care housing as follows:

- Good growth
- Health and wellbeing
- Better lives for people with care and support needs

4.3.2. In aspiring to be the ‘Best city in the UK’, the Core Strategy also takes forward the spatial and land use aspects of the Vision for Leeds, City Priority Plans and the Best Council Plan (in particular, Objective 2: to ‘Promote sustainable and inclusive economic growth’).

4.3.3. Supporting the delivery of housing growth including affordable housing is integral to the Housing Growth and High Standards in all sectors breakthrough project. The delivery of affordable housing underpins the Council’s ambition for Leeds as a Strong Economy and a Compassionate City.

4.3.4. Implementing the Better Lives Programme is key to delivering the Council’s ‘Best Council Plan 2015-2020’. The Plan identifies specific priorities for 2017-18 to make Leeds “The Best Place to Grow Old in” and to provide “Early Intervention...reducing health inequalities”. These priorities link closely with the realignment of services to be more responsive to older people’s needs, giving them greater choice and control over their care and reducing the impact on longer-term care services. The Plan also refers to Leeds intention to “become a more efficient and enterprising council”, which again is reflected by the move towards wider provision of extra care.

4.4. Resources and value for money

4.4.1. The day to day management of this project is led by the Director of Resources and Housing. To enable the project to progress at pace, and to ensure all strands of the project are considered a multi-disciplinary cross directorate team which includes officers from Adults and Health and Resources and Housing has been established to deliver the project.

4.4.2. The programme and budget is managed through the Housing Growth Team in conjunction with Corporate Resources and Resources and Housing Finance Teams.

Revenue Effects

4.4.3. The total funding injected and available for the Council House Growth Programme at June 2017 is £108.3m. It is through this funding that the £30m has been identified for the delivery of extra care housing. The funding for the extra care project is made up of HRA borrowing, Right to Buy receipts and HCA grant. The exact mix of funding sources used for each extra care scheme delivered will be determined once the delivery route and tenure mix for each scheme is confirmed.

4.4.4. However, it is anticipated that of the £30m HRA funding will be used for the first package of four sites, rather the chosen partner organisation will finance the project in return for the opportunity to provide extra care on the sites. Revenue will also be generated for the Leeds City Council through the Extra Care providers purchasing the four sites.

4.4.5. We have also modelled the potential benefits of Extra Care versus Residential Care and it is evident that it will deliver significant efficiencies to the Council for each person funded by the authority living in Extra Care. Initial financial comparisons on the cost of residential care versus extra care (based on the actual tendered care package for Wharfedale View) reveal that extra care, even with all care recipients having high care and support needs, costs significantly less.

	Weekly cost of extra care	Weekly cost of residential care	Weekly systems saving
--	---------------------------	---------------------------------	-----------------------

Medium levels of care - 2 hours per day	£231.60	£621.80	£390.20
High care and support needs	£324.84	£621.80	£296.96

4.4.6. Extra Care would also bring about financial benefits to Self-Funders as the comparative weekly cost of Extra Care versus Residential Care is significantly lower. They would also have the option as owner/occupiers to retain the capital value of their apartment.

4.5. Legal Implications, Access to Information and Call In

4.5.1. Given that the Executive Board decision in July 2017 was a treated as a Key decision, all decisions which are a direct consequence of that Key decision taken by executive board can therefore be treated as Significant Operational Decisions in accordance with Article 13.4b.

4.5.2. The Director of Resources and Housing, is the lead in the project, however some decisions in relation to relevant land transactions will be taken by the Director of City Development. As a result, the authority to procure can be signed by the Director of Resources and Housing (or the appropriate person with authority delegated under his scheme) as a Significant Operational Decision.

4.5.3. Decisions around formal approval of tender documentation etc. will be administrative but the decision to award the contract when the time comes will also be a Significant Operational Decision as a direct consequence of the Exec Board Decision.

4.5.4. Similarly any decisions that are taken by the Director of City Development, whether by the Director or appropriate person under his sub-delegation scheme, can be treated as Significant Operational Decisions if they flow from this executive board decision.

4.5.5. It has been confirmed by the commercial team within PPPU, that for the purposes of CPR12 that the North Yorkshire County Council extra care framework, call off terms and conditions and other associated documents can be used. This is subject to the following:

- There is further review of such documents so that they can be amended and supplemented (within the scope of the framework) to take into account specific LCC requirements and project specifics
- They are only suitable for use for projects where the provider purchases the site, design, builds, finances and operates the scheme
- The commercial structure will also be arranged so that the selected partner signs the Call Off terms and conditions, however it will then enter into a separate development agreement for each scheme.

4.6. Risk Management

4.6.1. A risk log for will be maintained throughout the project and escalated through the project governance process as necessary.

- No or inadequate tenders being submitted – being mitigated through running expression of interest stage as well as further market engagement through the NYCC Extra Care Framework.
- Capability and Capacity of organisations to deliver the Councils requirements – this has been mitigated through the use of the NYCC Extra Care framework. The organisations appointed have already been through a robust procurement process and are capable of delivering the Council's requirements. During the engagement process with these organisations they have confirmed they have the capacity to carry out the Council's requirements.
- Poor Contract Management – this will be managed through the use of a proportionate contract management plan and ensuring its use.
- Procurement Challenge – this will be mitigated through following best procurement practice, ensuring fairness and transparency, and consultation with PPPU Commercial team to ensure robustness.
- Damage to the Council's Reputation – this has be mitigated through market engagement, clear documentation/instructions and effective contract management which will diminish the risk of reputational damage.
- Poor Delivery of Care and Support Service – this will be mitigated through the provision of feedback to the Service Provider based on performance monitoring reports carried out by the Council. This feedback will be provided via quarterly monitoring meetings. The exceptions to this are any issues arising from the monitoring that require immediate attention.
- Late delivery of the contract – this will be mitigated through the clearly structured timeline to support service deliver and ownership of the project group and associated officers to ensure that this is adhered to.

5 Recommendations

5.1. It is recommended that the Director of Resources and Housing:

- Approves the decision to procure a partner organisation to deliver Extra Care Housing across four sites in the city through a single procurement process using the NYCC Extra Care Framework.

6 Background documents

None

7 Appendices

Equality, Diversity, Cohesion and Integration Screening