

WILTSHIRE COUNCIL

CABINET CAPITAL ASSETS COMMITTEE

24th May 2012

Subject: BURNHAM HOUSE, MALMESBURY – EXTRA CARE DEVELOPMENT

Cabinet Members: Councillor John Thomson (Adult Care, Communities and Housing)

Key Decision: Yes

Executive Summary

1. The Older People Accommodation Development strategy identified the need for a new purpose built 50 unit extra care scheme within the Malmesbury area and following the establishment of a working group consisting of members of the local community to determine the future use of the Burnham House site, approval was granted from the Cabinet Capital Assets Committee in September 2011 to utilise this site for the extra care development.
2. Wiltshire Council and Devon County Council are currently undertaking a mini competition procurement exercise under the joint preferred developer framework contract for the provision of extra care housing on the Burnham House site in Malmesbury and sites in Barnstaple and Tiverton, Devon.
3. The Councils have been working collaboratively to produce the mini competition procurement documentation, including the tender questionnaire, design specification and financial evaluation models. This has been achieved through the establishment of multi-disciplinary teams, including representatives from procurement, property, legal, finance and adult care, in both authorities. Advice has also been received from planning regarding what would constitute acceptable development on the Burnham House site.
4. Bids are being requested for the provision of the construction, housing management and care and support delivery within the extra care scheme. The Council has however reserved the right not to award the care and support provision through this procurement mechanism to enable it to contract to its Help to Live at Home providers instead.
5. The providers are being asked to submit a compliant bid which will involve the site being offered on a 250 year leasehold basis, however there is also the opportunity for them to submit a variant bid, enabling them to demonstrate innovation and efficiency. This may include the transfer of the freehold of the site to the framework provider.

6. The tenderers can also submit bids for only the Wiltshire site, the two Devon sites or all three sites. This will enable the Councils to determine whether there is any significant quality or financial benefit to combining future mini competitions to achieve construction or operating economies of scale.
7. The mini competition responses will be evaluated on a 60% quality, 40% cost / financial viability basis. Three representatives of the Burnham House Working Group, established under the Malmesbury Area Board, will evaluate the quality element of the submissions and their marks will form 50% of the overall quality evaluation score. A multi-disciplinary team, consisting of officers from procurement, finance, property and adult care, will also evaluate the mini competition responses. This will be further supplemented by external legal advisors supporting the evaluation of the legal questions contained within the documentation.
8. Permission is sought to delegate authority to the Cabinet Member for Adult Care, Communities and Housing and the Cabinet Member for Waste, Property, Environment and Development Control Services in liaison with the Corporate Director (Statutory Responsibility for Adult Care Services) and the Section 151 Officer to award the extra care development, management and care and support provision contract, where appropriate, on the former Burnham House site in Malmesbury following the satisfactory conclusion of the formal tendering process.

Proposal(s)

Members are asked to:

- a. Note the progression of the extra care development initiative for older people on the former Burnham House site in Malmesbury.
- b. Delegate authority to the Cabinet Member for Adult Care, Communities and Housing and the Cabinet Member for Waste, Property, Environment and Development Control Services in liaison with the Corporate Director (Statutory Responsibility for Adult Care Services) and the Section 151 Officer to award the extra care development, management and care and support provision contract, where appropriate, on the former Burnham House site in Malmesbury following the satisfactory conclusion of the formal tendering process.

Reason for Proposal

9. The joint preferred development framework contract with Devon County Council provides an innovative and efficient procurement mechanism to select construction partners, operators and potentially care and support providers for extra care facilities across Wiltshire and

Devon.

10. The development of extra care housing on the Burnham House site would meet the needs of the growing elderly population in Malmesbury and improve choice and control for older people whilst providing a vital community resource.
11. The involvement of the Burnham House Working Group in the tender evaluation and development of the scheme, promotes community engagement and will ensure that the facilities meet the needs of the local community.

Sue Redmond
Corporate Director

WILTSHIRE COUNCIL

CABINET CAPITAL ASSETS COMMITTEE

22nd May 2012

Subject: **BURNHAM HOUSE, MALMESBURY – EXTRA CARE DEVELOPMENT**

Cabinet Members: **Councillor John Thomson (Adult Care, Communities and Housing)**

Key Decision: **Yes**

Purpose of Report

1. To update Members on the progression of the extra care development initiative for older people on the former Burnham House site in Malmesbury.
2. To delegate authority to the Cabinet Member for Adult Care, Communities and Housing and the Cabinet Member for Waste, Property, Environment and Development Control Services in liaison with the Corporate Director (Statutory Responsibility for Adult Care Services) and the Section 151 Officer to award the extra care development, management and care and support provision contracts, where appropriate, on the former Burnham House site in Malmesbury following the satisfactory conclusion of the formal tendering processes.

Background

3. In January 2011, the Older People Accommodation Development Strategy was approved by Wiltshire Council's Cabinet. This is a 10 year development strategy which will modernise the way that older people's accommodation is provided, develop and adopt an integrated accommodation system, ensure the best use of increasingly scarce resources and respond to local needs in local communities.
4. The Older People Accommodation Development strategy identified the need for a new purpose built 50 unit extra care scheme within the Malmesbury area and following the establishment of a working group consisting of members of the local community to determine the future use of the Burnham House site, approval was granted from the Cabinet Capital Assets Committee in September 2011 to utilise this site for the extra care development.
5. Approval was also granted for officers to undertake a mini competition procurement process to appoint a developer, operator and potentially a care and support provider through the joint preferred developer framework

contract with Devon County Council which was awarded in September 2011.

Main Considerations for the Council

6. Wiltshire Council and Devon County Council are currently undertaking a mini competition procurement exercise under the joint preferred developer framework contract for the provision of extra care housing on the Burnham House site in Malmesbury and sites in Barnstaple and Tiverton, Devon.
7. The Councils have been working collaboratively to produce the mini competition procurement documentation, including the tender questionnaire, design specification and financial evaluation models. This has been achieved through the establishment of multi-disciplinary teams, including representatives from procurement, property, legal, finance and adult care, in both authorities. Advice has also been received from planning regarding what would constitute acceptable development on the Burnham House site.
8. Bids are being requested for the provision of the construction, housing management and care and support delivery within the extra care scheme. The Council has however reserved the right not to award the care and support provision through this procurement mechanism to enable it to contract to its Help to Live at Home providers instead.
9. The providers are being asked to submit a compliant bid which will involve the site being offered on a 250 year leasehold basis, however there is also the opportunity for them to submit a variant bid, enabling them to demonstrate innovation and efficiency. This may include the transfer of the freehold of the site to the framework provider.
10. The tenderers can also submit bids for only the Wiltshire site, the two Devon sites or all three sites. This will enable the Councils to determine whether there is any significant quality or financial benefit to combining future mini competitions to achieve construction or operating economies of scale.
11. The mini competition responses will be evaluated on a 60% quality, 40% cost / financial viability basis. Three representatives of the Burnham House Working Group, established under the Malmesbury Area Board, will evaluate the quality element of the submissions and their marks will form 50% of the overall quality evaluation score. A multi-disciplinary team, consisting of officers from procurement, finance, property and adult care, will also evaluate the mini competition responses. This will be further supplemented by external legal advisors supporting the evaluation of the legal questions contained within the documentation.
12. The timetable for the mini competition process is contained in the table below:

Task Name	Date
Invitation to Tender (ITT) for the Mini Competitions	21/05/12
ITT Return Date	14/06/12
Tender Opening	14/06/12
Bidder Presentation (Wiltshire)	21/06/12
Bidder Presentation (Devon)	22/06/12
ITT Evaluation Ends	04/07/12
Identify Preferred Bidders	05/07/12
Feedback Sessions (1:1)	09/07/12
Standstill Period Ends	20/07/12
Contract Award	21/07/12

13. Permission is sought to delegate authority to the Cabinet Member for Adult Care, Communities and Housing and the Cabinet Member for Waste, Property, Environment and Development Control Services in liaison with the Corporate Director (Statutory Responsibility for Adult Care Services) and the Section 151 Officer to award the extra care development, management and care and support provision contract, where appropriate, on the former Burnham House site in Malmesbury following the satisfactory conclusion of the formal tendering process.

Environmental and Climate Change Considerations

14. As extra care developments consist of self contained properties for tenants, these developments would not be included in the Council's carbon footprint. However, they will contribute towards the county's footprint. If the chosen 3rd party operator is required to participate in the CRC, to reduce liability consideration should be given to who pays the utility bills for the properties. If the cost is recharged to individual tenants, then the 3rd party operating the site may be able to avoid liability. Emissions from energy consumption in communal areas would still allow the purchase of CRC allowances.
15. To ensure appropriate environmental management takes place, new stock will be built to Code Level 4 of Sustainable Homes and Lifetimes Homes standards increasing to Code Level 6 by 2016. Non-fossil fuel energy supplies will be considered for all new buildings.
16. In order to ensure the necessary transport-emissions for running the facilities do not increase, the location of these facilities is crucial. The Burnham House site has access to good public transport links already and a transport strategy for the site will be prepared.
17. It is acknowledged that the very old, chronically ill and poor are amongst the groups most vulnerable to predicted climate change and risk of "fuel poverty". The provision of accommodation for older people will take this into account by ensuring that buildings are not only built to the required Code Level 4 / Code Level 6, but they will also include relevant climate change adaptation features.

Equalities Impact of the Proposal

18. The development of these facilities would promote independence, choice and control for older people and would offer opportunities for greater community engagement, involvement and inclusion in purpose built accommodation.
19. The development of these facilities would also have a positive impact for people who will develop care needs in the future as it will enhance choice for people when choosing their care provision.

Risk Assessment

20. There is a risk that none of the preferred developers will submit a tender during the mini-competition phase which would delay the development timescales; however the Councils have been working closely with the bidders in the production of the contract requirements and documentation so this situation is unlikely to occur.
21. Another risk inherent in this proposal is that the mini-competition tender response are unaffordable to the Council or do not deliver the requirements / specification for the extra care scheme. In the unlikely event of this happening, the Council is not obliged to accept any bid through this procurement process and has reserved the right to tender this opportunity outside the framework.

Financial Implications

22. Financial accountants from both a revenue and capital perspective have created the financial evaluation model for the mini competitions undertaken under the joint preferred developer framework contract for the provision of extra care housing and other care facilities.
23. The Burnham House mini competition will be evaluated on a 60% quality and 40% cost / financial viability basis. Cost is being assessed on the construction costs incurred by the developer to ensure the finished scheme is of suitable standard and also the costs to be incurred by the tenants. Financial accountants will be involved in the financial evaluation of the mini competition tender submissions.
24. The Council is not obliged to accept any tender submission through this process and will be looking to appoint the provider who represents the best overall value whilst delivering the required facilities in accordance with the prescribed standards and specifications.

Legal Implications

25. Wiltshire Council and Devon County Council have appointed the external legal firm, Michelmores, to produce the Project Agreement, which is the legal contract for each extra care development delivered through the joint preferred developer framework contract. This external expertise, in conjunction with in-house personnel, will also be utilised to assist in the

evaluation of the legal question contained in the mini competition tender documentation.

26. Depending upon the land mechanism identified as the preferred option, conveyancing activities will be required to be undertaken. This may include the preparation of a lease or to prepare the site sale documentation. Please note that a full review of the legal title, covenants and restrictions associated with the Burnham House site was undertaken in advance of the mini competition process, and the results were disclosed to the bidders.

Options Considered

27. **Offer the Site on a Leasehold Basis**
In order to ensure that the Council is able to evaluate the providers on a like-for-like basis, the Council is seeking a compliant bid from the framework providers. This will lease the site to the appointed provider on a 250 year lease executed at the point of practical completion of the extra care facility. During the construction period, a building lease will be offered.
28. **Transfer the Freehold of the Site to the Selected Provider**
Providers are able to submit a variant bid through the mini competition process where they can demonstrate the benefits of transferring the freehold of the Burnham House site to the developer in order to facilitate the extra care development. Please note that the freehold of the site would only be transferred prior to the completion of the construction of the facility in exceptional circumstances.

Conclusions

29. The joint preferred development framework contract with Devon County Council provides an innovative and efficient procurement mechanism to select construction partners, operators and potentially care and support providers for extra care facilities across Wiltshire and Devon.
30. The development of extra care housing on the Burnham House site would meet the needs of the growing elderly population in Malmesbury and improve choice and control for older people whilst providing a vital community resource.
31. The involvement of the Burnham House Working Group in the tender evaluation and development of the scheme, promotes community engagement and will ensure that the facilities meet the needs of the local community.
32. Members are asked to:
 - a. Note the progression of the extra care development initiative for older people on the former Burnham House site in Malmesbury.

- b. Delegate authority to the Cabinet Member for Adult Care, Communities and Housing and the Cabinet Member for Waste, Property, Environment and Development Control Services in liaison with the Corporate Director (Statutory Responsibility for Adult Care Services) and the Section 151 Officer to award the extra care development, management and care and support provision contract, where appropriate, on the former Burnham House site in Malmesbury following the satisfactory conclusion of the formal tendering process.

**Sue Redmond
Corporate Director**

Report Authors: James Cawley
Service Director
Adult Care Strategy & Commissioning

Date of report: 12th April 2012

Background Papers

The following unpublished documents have been relied on in the preparation of this report:

Preferred Developer Framework and Burnham House, Malmesbury – Cabinet Capital Assets Committee Report, 14th September 2011

Appendices - NONE