

TITLE	New Dementia Care Home in the Toutley East Development Construction Consultant and Contract
FOR CONSIDERATION BY	The Executive on Thursday, 28 July 2022
WARD	Emmbrook;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers
LEAD MEMBER	Executive Member for Health, Wellbeing and Adult Services – Cllr David Hare Executive Member for Business and Economic Development – Clive Jones

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

Members are invited to approve the Procurement Business Case required for the development of a new dementia care home as part of the Toutley East Development.

The Care Home, which has been approved as part of the Medium Term Financial Plan, is subject to the Executive approval of the Toutley East Master Plan.

RECOMMENDATION

That the Executive:

- 1) Notes the proposal to transfer service provision from existing care services at Suffolk Lodge to the new dementia care home at Toutley East, and delegates authority to the Director of Adult Social Care and the Director of Resources and Assets, jointly, in consultation with the Executive Members for Health, Wellbeing and Adult Services and the Executive Member for Finance, to make any changes necessary to the contract between Wokingham Borough Council and Optalis Ltd to give effect to this change in service, up to a value of £2m per annum;
- 2) Delegates authority jointly to the Director of Adult Services and the Director of Resources and Assets to increase the value of the care contract in place with Wokingham Borough Council's Local Authority Traded Company (Optalis Limited), by way of contract variation, up to the value of circa £4m, subject to inflationary increases, to deliver the staffing requirements for the care home, that in each case:
 - a) the budget for the costs of the services has already been approved as part of the agreed Council Budget;
 - b) the business case has been approved by both Directors;
 - c) the Executive Member with responsibility for Adult Services and the Executive Member with responsibility for Finance have been consulted.
- 3) Approves the procurement strategy set out in the Procurement Business case for the construction consultants and contractor required for the development of the new dementia care home and associated works; and delegates authority to the Director

of Resources and Assets, in consultation with the Executive Member for Finance, to implement and/or adapt this strategy within the approved budget.

EXECUTIVE SUMMARY

The Toutley East Development Strategic Masterplan proposes the construction of a new dementia care home, residential development and supporting infrastructure. The dementia care home is due to open on the site in 2025.

This report sets out the detail of two key delivery mechanisms for the new dementia care home.

This new dementia care home will create additional local capacity to meet the long-term trend in the number of older people who can be expected to need dementia residential and nursing care. It is estimated that the number of older people who are expected to require residential and nursing care provision, funded by the council, will rise by c.65% by 2035. In addition, the government has recently announced fundamental reforms within adults social care that will further exacerbate the pressures within the sector.

Current financial modelling would suggest that the care home will deliver circa £377,000 per annum in financial efficiencies from 2025/26. The reforms within Adults Social Care, however, are likely to increase the level of potential level of savings achieved from this scheme. The primary aim of the charging reforms is to redistribute the financial responsibility for paying for an individual's care between the individual and the local authority. At its simplest, the cost to the individual will reduce, and the cost to the local authority will increase. Self-funders in Wokingham currently offset costs charged to the local authority by c.40%. It is envisaged, therefore, that the care home will support the delivery of additional cost avoidance in the region of £700,000 per annum.

Executive are also asked to agree to the proposed procurement strategy required to secure the construction consultant and contractor for the new dementia care home. This procurement strategy is line with the Council's procurement regulations. It is proposed that the lead design consultants are appointed through the Crown Commercial Services framework to ensure adherence to the programme. It is proposed that the main build contractor is appointed through a restricted "Find a Tender Service" tender, because this would provide best value within the contract time frame. A detailed Procurement Business Case is included in Appendix 1.

Background

The Development

The Toutley East site is located in north Wokingham, within the Emmbrook Ward. The Toutley East development strategic masterplan proposes the delivery of a new dementia care in this location, alongside residential development of up to 130 residential units and supporting infrastructure.

A planning application for the development has been submitted (LPA ref. 211777). On 13th July 2022 Planning Committee resolved to grant outline planning consent for the strategic masterplan.

A separate paper – *Toutley East Development: Strategic Masterplan* – is being considered at this Executive meeting, which sets out further detail on the masterplan, financial appraisal and delivery programme.

Funding

There is £14M approved within the Council's Medium Term Financial Plan for the design and build of a new dementia care home.

This report satisfies a requirement from Section 13 of the Council's Constitution for Executive approval to the procurement approach for a works contract between £4,733K and £15M in value and for services between £633K and £5M in value.

Analysis of Issues

Service Transfer

It is envisioned that the care and support at the new care home will be delivered in partnership with the Local Authority Traded Company, Optalis Limited.

It is estimated the staffing cost will be circa £4mil, subject to inflationary increases.

Wokingham statutory procurement obligations

The Council has a duty under the Public Sector Procurement Regulations 2015 for the ways in which it procures, goods, service and works projects. Section 13 of the Council's Constitution establishes that under prescribed circumstances the approval of the Council's Executive is required before a Procurement Regulations compliant procurement approach is adopted.

The Public Sector Procurement Regulations 2015 create general requirements for all procurement activity. The higher the value of the contract, the more stringent the requirements that must be met. The regulations are intended to promote transparent, non-discriminatory, fair competitive arrangements. Wokingham's procurement rules and Constitutional arrangements (see Section 13, procurement and contract rules and procedures) are intended to ensure that the statutory requirements are fulfilled. The critical issue is the value of the commissions for services and works and the total expected spend. In this case:

- the total value of consultancy services is estimated to exceed £500,000,
- the works value is expected to exceed £4,733,000 and,
- the total spend is expected to be below £15,000,000.

Therefore, in accordance with Section 13.3.1.1 of the Council's Constitution, Executive approval to the procurement approach is required.

Procurement options

Within these general requirements there are a number of options. In essence these can be summarised as the use of various kinds of framework arrangements (some of which have established pricing mechanisms) and individual tenders.

The use of framework agreements can be helpful where speed of delivery is of particular importance. The use of individual tenders (though what is now known as the Find a Tender Service) allows the use of contractors who are not on Framework agreements (who may have specialist skills) and should lead to the lowest achievable cost. The penalty is the time and cost of running a competitive tender process.

Services required

Two sets of services are required to deliver the new dementia care home:

1. Construction consultants who will produce design, submit a reserved matters planning application and provide project management support.
2. Design and build contractor who will construct the care home

Preferred procurement option

It is proposed that Wokingham Borough Council utilises the Crown Commercial Services framework to secure the construction consultant's services. This will allow the current consultancy team (who are currently commissioned to carry out initial feasibility and preparatory work, below the threshold where Executive approval would be required) to support the whole programme and enable its delivery to programme.

It is proposed that a restricted tender is sought through the Find a Tender Service for the construction contract. This will ensure best value access to specialist design and build contractors for the build programme. Further details are set out in Appendix 1.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£1m	Yes	Capital
Next Financial Year (Year 2)	£6.25m	Yes	Capital
Following Financial Year (Year 3)	£6.25m	Yes	Capital

Other Financial Information

An intention of the scheme is to provide care services at a lower rate than would otherwise be available. This is not set out in detail here, as the only requested consent is to the procurement approach.

Stakeholder Considerations and Consultation

Consultation on the development proposals and planning application have been undertaken.
Initial engagement with current Suffolk Lodge residents and their families has occurred. When the date for the transfer
Contract details and opportunities to tender will be advertised in line with the Council's procurement regulations.

Public Sector Equality Duty

An Equality Impact Assessment is in preparation.

Climate Emergency – *This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030*

The new scheme will have a reduced carbon impact compared to the existing Suffolk Lodge and other nearby care homes by reducing its fossil fuel usage by utilising all electric heating and cooking facilities and through improved standards of insulation.

Reasons for considering the report in Part 2

The Part 2 sheet contains contractual and financial information

List of Background Papers

None

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