



Notice of KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt and Appendices A, B and C are not available for public inspection as they contain exempt information within the meaning of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. They are exempt because they contain commercially sensitive information, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

Subject Heading:	Supported Housing Development: Mowbrays Close and Mawney Close
Decision Maker:	Barbara Nicholls – Strategic Director, People
Cabinet Member:	Councillor Paul McGeary - Lead Member for Housing
SLT Lead:	Barbara Nicholls – Strategic Director, People
Report Author and contact details:	Robert Ditsell; Project Manager. t 01708 434700 e robert.ditsell@havering.gov.uk
Policy context:	Supports the outcomes within the London Borough of Havering's Corporate plan. Communities Theme: Helping young and old fulfil their potential by supporting people to live safe, healthy and independent lives.

Key Executive Decision – Part Exempt Report

	This proposal is guided and underpinned by the principles of the Care Act 2014, the Children's Act 1989 and the Children
Financial summary:	This report is seeking approval to award Marfleet & Blyth the works for both sites, under separate contracts for a combined total project cost of £4,787,047.22
Reason decision is Key	Expenditure or saving (including anticipated income) of £500,000 or more
Date notice given of intended decision:	21 st December 2022
Relevant OSC:	Communities OSC
Is it an urgent decision?	No
Is this decision exempt from being called-in?	No

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

<p style="text-align: center;">DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION</p> <p>For the reasons set out in this report, the Strategic Director of People is recommended to agree to:</p> <p>The Demolition of the existing garage sites at Mawney Close and Mowbrays Close.</p> <p>Award a works contract at a value of £2,630,634.22, to Marfleet and Blyth, for the development of a housing scheme to provide semi-independent provision for eight young people at Mawney Close. This works contract is estimated to be completed within 66 weeks.</p>
--

Key Executive Decision – Part Exempt Report

Award a works contract at a value of £2,156,413.00 to Marfleet and Blyth, for the development of a housing scheme to provide supported living for six adults with disabilities at Mowbrays Close. This works contract is estimated to be completed within 55 weeks.

AUTHORITY UNDER WHICH DECISION IS MADE

3.3 Powers of Members of the Senior Leadership Team

Contract powers

b) To award all contracts with a total contract value of between £500,000 and £5,000,000 other than contracts covered by Contract procedure Rule 16.3.

STATEMENT OF THE REASONS FOR THE DECISION

The London Borough of Havering has identified and committed to undertaking housing development within the Borough. The London Borough of Havering are delivering on 8 semi-independent flats for 8 young people, the “Mawney Close Project”.

In addition to the above, the London Borough of Havering are also delivering on 6 semi-independent flats for 6 young people, the “Mowbrays Close Project”.

The Council is seeking permission to appoint a single contractor, Marfleet & Blyth, under separate contracts, to demolish the existing garage sites at Mawney Close and Mowbrays Close and to construct new buildings.

Bailey Garner, has been involved in the procurement of both contracts in particular with the compiling the specifications and assessing the tenders.

The Council undertook a restricted tender exercise by inviting 6 contractors to partake. One contractor withdrew prior to any submissions and a second contractor withdrew their submission at evaluation stage as they were no longer interested in the projects. The tender exercise was conducted with 70% price, based on the value of the tender return, 20% quality, based on the quality assessment of 3 questions and 10% social value, based on the assessment of one question. Time was allocated so that tenderers may raise questions which were addressed and responses were uploaded on the portal following discussions between LBH and Bailey Garner.

Key Executive Decision – Part Exempt Report

The tender submission from Marfleet & Blyth was 18.67% lower than the Council's pre-tender estimate for Mawney close. The other bidders were found to be 13.49%, 7.74%, 3.28% higher than the Council's pre-tender estimate for the scheme.

The tender submission from Marfleet & Blyth 1.43% higher than our pre-tender estimate for Mowbrays close. The other bidders were found to be 34.36%, 15.11%, 34.58% higher than the Council's pre-tender estimate for the scheme.

Further analysis were made on submitted CSA, qualification, exclusions or provisional sums included within the tender sought. Following the tender evaluation and the moderation with Procurement, Marfleet & Blyth have scored the highest combined scores for both schemes. The Council therefore, holds the view it is the most economically advantageous tender. Please refer to exempt Appendix C.

The Council intends to award the tender in July 2023.

Some of the benefits of awarding this contract are as follows:-

- The schemes have been proposed with cross-service objectives including:
 - To develop property owned by the Council that is designed to provide care for vulnerable people.
 - To manage costs more effectively as a result of owning the properties and being able to commission providers on improved terms.
 - To deliver improved outcomes to the residents of the properties
 - To get a return on investment from the property element of care costs, that would otherwise fund private sector asset buildings.
 - Cashable savings

Therefore, the Council is seeking permission to award the works to Marfleet & Blyth under separate contracts for a combined total project cost of £4,787,047.22.

OTHER OPTIONS CONSIDERED AND REJECTED

Service Delivery - Option one:

That Council continues to spot purchase placements across the cohorts where the price is determined by the market and a significant percentage of placements are outside the borough.

This approach would see the Council continue to purchase placements at increasing cost and increasing the pressure on budgets across children's and adults social care.

This option will see the Council continue to fund or subsidise property costs, including funding mortgages and private property investments.

Service Delivery - Option two:

That the Council contracts private developers or a housing association to source land in Havering, build and operate the schemes. The cost of land and subsequent build costs will be higher than if the Council uses the proposed garage sites and directly controls the development.

This approach would see little control over the design, cost and quality of the accommodation and result in less control over ongoing placement costs. This approach would also mean that any developer or housing association would expect a long term commitment from the Council for the buildings and care and support services.

Income from rents will go directly to the developer or housing association to fund mortgage and/or investment costs.

Procurement Route – Option one:-

Appointment through a framework does not give the Council the authority to select contractors, due to frameworks having their own set contractors signed up to each. Use of a framework will come with a cost to the Council, however, as the tender estimate for each scheme is below the current contracting authorised limit, we can proceed with a restricted tender and procurement route.

Procurement Route – Option two:-

Open tendering option not considered due to the large number of contractors that could submit a price. Open tendering does not have a pre-set criteria for contractors so we would be unable to check the viability of the contractor's financial stability or reputation, prior to tender submissions.

Key Executive Decision – Part Exempt Report

PRE-DECISION CONSULTATION

This project was raised on i-Decision 10th Feb 2021 and re-raised 16th March 2022.

A previous Executive Decision was submitted and agreed by Cllr Damian White 15th August 2019 for Three sites, of which the Two within this decision were included.

A Gateway report was agreed with Procurement who provided the Council with consent to proceed 6th April 2022.

A Gateway 2 report was agreed with Procurement, post tender evaluation , who provided the Council with consent to proceed 3th May 2023

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Robert Ditsell

Designation: Project Manager – Housing

Signature:



Date: 29th June 2023

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. Section 2(1)(a) of the Care Act 2014 places a general duty on local authorities to provide, arrange or otherwise identify services, facilities or resources to help prevent, delay or reduce the needs of adults for care and support. The provision of the proposed works forms part of this duty.
2. Section 8 of the Care Act 2014 details how a local authority should respond to an identified need and contains an illustrative list of what may be provided to an adult in need, including accommodation in a care home or in premises of some other type in section 8(1)(a).
3. The Council is making a decision to award a works contract for that purpose.
4. The Council has power to procure and enter into the contracts under s111 of the Local Government Act 1972 which permits the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.
5. The Council also has a general power of competence under Section 1 of the Localism Act 2011 to do anything an individual can do, subject to any statutory constraints on the Council's powers. None of the constraints on the Council's s.1 power are engaged by this decision.
6. The proposed contract value for each scheme is below the applicable Public Procurement threshold for Works contracts stipulated in the Public Contracts Regulations 2015 ("PCR") of £5,336,937. Therefore, it is not subject to the full PCR regime.
7. Officer confirms compliance with Contract Procedure Rule 10.4, 10.5 and 10.6. (Limiting the number of candidates meeting the selection criteria that Council will invite to tender subject to the minimum number of qualified candidates being available and to include in the contract notice, the objective and non-discriminatory criteria they intend to apply).
8. Officer confirm that the award of the contracts are both best value for money in accordance with CPR18.2.
9. For the reason above, the Council may award the contracts to Marfleet & Blyth.

Key Executive Decision – Part Exempt Report

FINANCIAL IMPLICATIONS AND RISKS

C28160 – P3 – Mowbrays

Tender Build cost	£2,156,143.00
Contingency and on-costs	<u>£379,339</u>
Total	£2,535,482
Less grant request	<u>£720,000</u>
	£1,815,482
Budget	£2,471,309
Balance	£655,827

C28150 – P4 – Mawneys

Tender Build cost	£2,630,634
Contingency and on-costs	£719,008
Total	£3,349,642
Less grant request	<u>960,000</u>
	£2,389,642
Budget	1,762,236
Balance	£627,406

It is proposed to vire £627,406 from C28160 to C28150. This activity requires a separate Key ED due to the value. The Joint commissioning unit are currently working on this, after having had consultation with the finance business partner.

The Supported Housing team have applied to the GLA for grant funding of £1,680,000.00 for this project. LBH are chasing for a decision.

Should GLA grant funding not be awarded it has been confirmed that sufficient alternative funding is available by way of Right to Buy receipts, which can be used to cover the shortfall.

**HUMAN RESOURCES IMPLICATIONS AND RISKS
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

The recommendation made in this report does not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

The procurement process was carried out in accordance with the Council's Contract Procurement Rules. The proposed contractor, Marfleet & Blyth, will be expected to comply with the Council's policies with regards to the promotion of equality and diversity in service delivery and employment practice.

The Council will seek to ensure that socio-economic status will not dictate health and safety outcomes for occupants of new and existing homes

As we currently do not know who the end users will be, we have not completed a privacy impact assessment. The end users and associated provisions for those will be managed by the customer, the Joint Commissioning Unit.

Key Executive Decision – Part Exempt Report

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

To develop property owned by London Borough of Havering this is designed to provide care for vulnerable people.

To deliver improved outcomes to residents to the properties

To enable improved quality of the services provided.

Reduction in travel incurred by social workers visiting people placed outside of Havering with greater time spent on case work.

Facilitating improved access to local partner serviced and community services, eg CAMHS, local schools and colleges.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

A risk is wasted or unused materials for the duration of the contract. However, awarding the project to one contractor only will enable us to be proactive and greatly reduce wastage by being able to use redundant materials from one site to the next. This should in turn, generate fewer visits to the suppliers for materials and less lost time for operatives working on the project.

Contractor's staff will be able to work between both sites with both being within close proximity of each other.

This will have a positive impact on the environment by producing a smaller carbon footprint.

Two features being proposed on this development is a Sedum roof / Green Roof along with Solar Panels, which will bring environmental benefits.

All works will meet building regulations and comply with planning criteria.

BACKGROUND PAPERS

None

APPENDICIES

Appendix A	Tender Report – Mawney close	Exempt
Appendix B	Tender Report – Mowbrays close	Exempt
Appendix C	Evaluation Scoring	Exempt

Key Executive Decision – Part Exempt Report

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed



Name: Barbara Nicholls

Cabinet Portfolio held:

CMT Member title: Strategic Director of People

Head of Service title

Other manager title:

Date: 03/08/2023

Lodging this notice

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____