

Report for: Cabinet

Date of Meeting:	20 th April 2023
Subject:	Critical Works to Sancroft Care Home
Key Decision:	Yes - the value of the procurement is in excess of £1m in capital expenditure and therefore is deemed to fall within the parameters of a key decision
Responsible Officer:	Dipti Patel – Corporate Director, Place Dawn Calvert - Director of Finance and Assurance
Portfolio Holder:	Councillor David Ashton - Portfolio Holder for Finance and Human Resources Councillor Norman Stevenson, Portfolio Holder for Business, Employment & Property
Exempt:	No, except for Appendix 1 which is exempt pursuant to paragraph 3 of Schedule 12A to the Local Government Act 1972 on the grounds that it contains information relating to the financial and business affairs of the council and 3 rd party suppliers
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Draft Tender Pack: <ul style="list-style-type: none">- Specification Preliminaries- Intermediate Building Contract with contractor's design 2016- Schedule of Rates- Invitation to Tender

Section 1 – Summary and Recommendations

This report sets out the detail of the critical work that requires to be undertaken urgently at the Council owned premises located at 28B Sancroft Road, Harrow, HA3 7NS. Operating out of the premises is a residential care home business delivered by Sancroft Community Care Limited, a wholly owned company (LATCO) of the Council.

Recommendations:

Cabinet is requested to:

1. Approve the commencement of a procurement exercise to select a contractor to undertake replacement of the plastic water piping network, and 8 bathrooms at Sancroft Care Home
2. Note the draft tender pack that has been developed for the procurement exercise to competitively select a suitably experienced contractor and delegate authority to the Director of Finance & Assurance following consultation with the Corporate Director of Place and the respective Portfolio Holders for Finance and Human Resources and Business, Employment & Property to make changes and finalise the tender pack prior to going to tender.
3. Delegate authority to award the contract following the procurement exercise to the Director of Finance & Assurance following consultation with the Corporate Director of Place and the respective Portfolio Holders for Finance and Human Resources and Business, Employment & Property.

Reason: (for recommendations)

The reason for the recommendations is to seek approval to undertake a compliant procurement to identify a suitably experienced contractor that is value for money to undertake the critical work detailed in this report at Sancroft Care Home.

Section 2 – Report

Introductory paragraph

Sancroft Care home is a Harrow based care home delivering high quality care to residents of Harrow. Nearly all the care home beds are occupied by in-borough clients. To that end it the decision being sought for the ultimate outcome of improving the fabric of the home is wholly consistent with the Council vision of:

1. Putting residents first
2. A borough that supports those in need

The decision is also consistent with the flagship action of improving the quality and sustainability of care in Harrow.

Options considered

There were a number of possible options considered for this report.

Option 1: To continue to operate the care home without undertaking the critical works required at the premises.

Option 2: To sell the building

Option 3: To undertake the critical works set out in this report.

The option selected and proposed is option 3 to ensure that the Council continue to have a safe and fit for purpose care home in which residents of the care home, staff and visitors operate in a safe modern environment that supports the health and wellbeing of everyone who lives there and considers it as their home.

Background

Sancroft Community Care Limited (SCCL) is a wholly owned company of Harrow Council. SCCL is a 62-bed care home situated in the borough of Harrow and began operating on the 08th of February 2018.

The company was awarded a contract by Harrow Council for a period of 5 years ending the 7th February 2023 with an option to extend for up to a further 5-year period. In December 2022 Cabinet approved the extension of the contract for a further two years to February 2025. The contract with the Council is for the provision of 45 block beds for residential and dementia clients, the remaining beds providing commercial capacity within the wider bedded care market.

SCCL has in the first five years of operation delivered a high-quality care service and won a number of awards including being recognised as one of the top 20 best care home in London for three consecutive years. During the pandemic it operated in very difficult circumstances but did not suffer any Covid related deaths.

Current situation

SCCL provides guaranteed in borough beds for adult social care, currently 45 under contract. It provides an excellent service to adult social care with a full utilisation by the Council of the 45 block beds and further purchases by adult social care through spot placement (currently a further additional 7 beds).

To that end the home is seen as invaluable in the provision of in borough guaranteed care provision at competitive bed rates.

The care home was purpose built by Freemantle in 1999, under a Private Finance Initiative (PFI) arrangement. Following the Council's acquisition of the property a number of renovations and updates have been made including:

- The conversion of the wing of the building that was a day centre into 12 ensuite bedrooms and an additional two assisted bathrooms
- The replacement of all the windows with new double glazing
- The replacement of the boilers with new modern state of the art boiler system.
- New commercial washing machines and tumble dryers
- Patio and decking replacement
- Emergency lighting
- Data cabling
- Nurse call system

From the above it is evident that Sancroft Care Home benefits from ongoing maintenance and repairs, keeping it from falling into disrepair. Externally, the building is in good condition exhibiting no significant structural defects which would require urgent remedial works

The home has, as listed above, seen considerable updating/modernisation over the 5 years since it was purchased. Day to day upkeep and renovations of rooms are also undertaken by Sancroft Community Care Limited who operate in the home under an annual licence agreement.

Why a change is needed

Notwithstanding all the modernising work undertaken to date, the primary reason for the recommendations set out at the front of this report is to undertake two outstanding critical pieces of modernisation works that are currently creating considerable operational, commercial, health & safety and reputational risks to both the home and Harrow Council.

Replacement of the plastic water piping network throughout the home.

The heating and hot water distribution pipework in the home is 23 years old and consists of plastic pipework serving bathrooms and heating throughout the home. This existing plastic pipework due to its age and method of installation, frequently fails resulting in major leaks and loss of service

Since taking over operations at the building there have been multiple pipe bursts throughout the building and the associated cost of making good damage is over £30,000. The pipe network runs through the false ceilings and so when pipes burst the water rains down onto whatever is below. This has

caused extensive damage to bedrooms, lounge areas and other communal areas rendering them out of use until repaired and put good. The pattern has been that when one pipe burst and the impact of it has been out right, a similar event will take place elsewhere in the building. The most recent event occurred on the 01st of April 2023, the pipe burst on this occasion has taken two communal lounges out of action leaving residents having to have their meals on the isolation of their bedrooms. Additionally, damage was caused to electrical equipment and the collapse of a ceiling narrowly missed a member of staff. The home is not able to take new admissions until the damage is put good.

A condition survey carried out by Ayer Associates proposes a total strip out and removal of existing internal pipework to be replaced by copper pipework

Total replacement of 8 bathrooms

The majority of bathrooms/wet rooms in the care home are in serious disrepair which at best allows residents to be bathed in an environment that compromises their dignity and health and wellbeing and at worst creates a situation where bathrooms are put out of use having a knock-on effect of increasing the residents to bathroom ratio meaning that residents find themselves only having the opportunity to bath/shower much later than they would normally.

Due to the total state of disrepair of the bathrooms there is also a danger of terrible stench from the plugholes and piping and the danger of infection.

Therefore, what is required is a complete refurbishment and refit of all wet rooms / bathrooms including new floor finishes, ceilings, redecoration of walls, sanitaryware as well as making good all areas affected by the pipework replacement works.

Implications of the Recommendation

The implications of the recommendations:

The work required at Sancroft Care Home will be resourced by the contractor who is successful in the procurement that is undertaken. We will however be looking to engage an interim project manager to be responsible for the successful mobilisation of the contractor and delivery of the works to the quality standards set out in the tender. The project manager will work to ensure key deliverables and milestones are met and the project is completed within the accepted tendered amount. The project manager will triangulate clear, effective, and regular communication between the Council, the contractor, and the care home to ensure project timescales and measures of success are met. The cost implications of the project are detailed in the finance section of this report.

Risk Management Implications

Risks included on corporate or directorate risk register? **No**

Separate risk register in place? **No**

The relevant risks contained in the register are attached/summarised below.
N/A

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Continuation of operational (loss of use of bathrooms and other areas of the building), commercial (loss of income), health & safety (risks to residents and staff) and reputational risks to both the home and Harrow Council.	<ul style="list-style-type: none"> ▪ A tender exercise will commence following approval of this report to identify a suitable contractor to begin the works detailed in recommendation 1 	Red
Unsuccessful in procuring a suitable supplier	<ul style="list-style-type: none"> ▪ The market for the services we are looking to procure is mature and we expect to have a healthy interest in this opportunity. 	Green
The tendered price being over the set approved budget	<ul style="list-style-type: none"> ▪ Cost consultants have estimated the work should be in the region of the budgeted amount. ▪ Return to cabinet seeking approval for the additional amount. 	Amber
The works not being delivered on time and to quality expectations set out in the tender specification	<ul style="list-style-type: none"> ▪ A project manager will ensure the delivery timetable submitted by the winning contractor is managed and weekly project board meeting will keep on top of the delivery on time and to quality. 	Green

Procurement Implications

The recommendation(s) set out at the front of this report seeks approval to undertake a procurement to identify a suitably qualified contractor to undertake the critical works at Sancroft Care Home as detailed in this report.

The procurement team will lead on the procurement process ensuring the appropriate procurement route is selected and all procurement undertaken is consistent with the Public Contracts Regulations 2015 and the Council Contract Procedure Rules.

The draft tender pack for the procurement is also attached as an appendix to this report for noting and has been discussed with relevant portfolio holders. The respective portfolio holders named at the front of this report will be briefed on the final tender pack and procurement route prior to the procurement going live as per recommendation 2.

The key high level evaluation weightings in the tender are:

Quality evaluation 30%
Social Value 10%
Price evaluation 60%

Legal Implications

Decision takers may only take key decisions in accordance with the requirements of Rule 23 of the Executive Procedure Rules set out in Part 4 of this Constitution.

As 28 days' notice for taking key decisions has not been given, the Director of Legal & Governance Services, as required by the Access to Information Rules in Part 4G of the Constitution, has given written notice to the Chair of the Overview and Scrutiny Committee that the decision will be taken and made available to the public at the Harrow Council Hub and on the Council's website, a copy of that notice, at least five clear working days before the date of the Cabinet meeting.

Procurement of public works contracts with a value greater than £5,336,937 must be competitively procured and awarded in compliance with The Public Contracts Regulations 2015. Works below this value must be procured in compliance with the Council's Contract Procedure Rules.

The Council must also comply with its Contract Procedure Rules and Financial Regulations when procuring any goods, works or services.

Financial Implications

Ayer Associates cost consultants, working for Harrow Council, have, through a condition survey undertaken in April 2022, estimated the cost of the works detailed in this report to be circa £1.7m including the cost of engaging a project manager to oversee successful delivery by the contractor of the works which will be under the Corporate Estates service.

There is provision within the existing Capital Programme to fund this work within the project 'Council Wide Schemes.' The carried forward budget from 2022/23 is £2.25m and there is provision of £500k in the 2023/24 Capital Programme.

The refurbishment works will be done on a phased approach, and this will inevitably impact on the ability to maintain the number of beds available to Adult Services and this will be closely managed with the Council.

There will also be an impact on the financial performance of SCCL, but this will not impact on the Council as there is no budgeted contribution from SCCL to Harrow.

Section 3 - Statutory Officer Clearance

Statutory Officer: Dawn Calvert

Signed by the Chief Financial Officer

Date: 6 April 2023

Statutory Officer: Stephen Dorrian

Signed on behalf of the Monitoring Officer

Date: 6 April 2023

Chief Officer: Dipti Patel

Signed by the Corporate Director

Date: 12 April 2023

Head of Procurement: Nimesh Mehta

Signed by the Head of Procurement:

Date: 6 April 2023

Head of Internal Audit: Susan Dixon

Signed by the Head of Internal Audit

Date: 6 April 2023

Has the Portfolio Holder(s) been consulted? Yes

Mandatory Checks

Ward Councillors notified: NO

EqlA carried out: NO

EqlA cleared by: N/A

Section 4 - Contact Details

Contact: Nimesh Mehta, Head of Procurement, tel. 07949 054 739, Email.
Nimesh.Mehta@harrow.gov.uk

**Call-in waived by the Chair of Overview and Scrutiny
Committee - NO**