

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3922

Author:

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Department:

Development and Growth

Contact:

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Subject:

Allocation of funds to improve a home currently in use by the Children's and Families Department

Total Value:

£130,000 (Type: Capital)

Decision Being Taken:

- 1) To approve the extension of the property, to improve its offer to children in the care of the Council with complex learning difficulties.
- 2) To approve the funds to pay for the property improvement works from the Housing Revenue Account, inclusive of a 10% contingency and 5% project management fee.
- 3) To include the scheme in the Public Sector Housing Capital Programme (2020/21).
- 4) To authorise Nottingham City Homes (NCH) to act as the Council's developer agent to tender and manage contractors on the Council's behalf, and for the Council to enter into a contract with NCH for the works to be completed.

Reasons for the Decision(s)

In 2013, Decision 824 agreed that a four-bedroom house could be removed from the Council's general needs stock for the purpose of housing children in the care of the Council that have a complex learning disability or who are on the autistic spectrum. The property is well embedded within the community and has served its purpose well for a number of years to the young people it houses, and it has also been given a good Ofsted inspection rating. To enhance its offer further to more young people in the care of the Council, Children and Families approached Nottingham City Homes to request further improvements be made to the building by creating a two-story extension. The purpose of the extension is to further enhance the property's offer to housing young people with severe autism, by creating a dedicated sensory / playroom and a further bedroom. Extending this property and housing a young person is the more economical option to housing a young person in private residential care, which costs over £212,000 per financial year. The property will be fully adapted and extended to a high standard, meeting the needs of the client group.

Proposed plans have been developed for the property and have received planning consent. Nottingham City Homes have undertaken a tender exercise and received quotations for the works. Nottingham City Homes will keep oversight of the relevant contractor to undertake the building works according to agreed designs in close liaison with the Service Manager for Residential. Works will be tendered in line with Nottingham City Homes financial regulations. Improvement works will be funded by the Housing Revenue Account and recharged to Children and Families via an increased rental charge, therefore negating the need for a loan via the General Fund due to the lack of funding/grants available for this type of investment. Additionally, the property is owned by the Housing Revenue Account, so it is consistent that the Housing Revenue Account uses its resources to modify the asset and Nottingham City Homes co-ordinates on behalf of the Council. In 2013, an interdepartmental agreement was agreed between both departments of the Council detailing responsibilities. To further protect the investment from the Housing Revenue Account, a further agreement will be drafted between the Development Department and Children and Families to agree that, should the property no longer be required, outstanding costs will be paid and settled prior to terminating the inter departmental agreement.

Other Options Considered:

To do nothing: this option has been discounted as the current facility has been rated as good by Ofsted and it provides a more cost effective solution than sourcing accommodation in the private sector.

Background Papers:

None

Published Works:

None

Affected Wards:

Dales

Colleague / Councillor Interests:

None

Any Information Exempt from publication:

Yes

Exempt Information:

Description of what is exempt:

The address of the property and the costings of the proposed works.

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

1 - Information relating to any individual

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it identifies the address of the property at which vulnerable young people reside.

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because of the commercial sensitivities relating to the procurement of a contractor for the works.

Documents exempt from publication:

Works Cost (inc fee).docx

Consultations:

Date: 06/03/2020
Ward Councillors: Cheryl Barnard
Councillor Barnard has been consulted and supports the decision as Portfolio Holder for Children and Young People.

Date: 06/03/2020
Other: Steve Edlin - Assistant Director of Asset Management / Head of Decent Homes
Nottingham City Homes supports the improvements to the property. As the managing agent for the Council, we agree that it is best placed for Nottingham City Homes to co-ordinate required improvements to this Housing Revenue Account asset.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

There are no crime or disorder implications.

Equality:

EIA not required. Reasons: The decision does not represent a change to an existing policy, service or function.

Social Value Considerations:

Not applicable

Relates to Council Property Assets: Yes

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 06/07/2020

Advice Sought: Legal, Finance, Procurement, Property

Legal Advice: This report seeks authority to undertake improvement works to a Council property. It is understood that Nottingham City Homes has undertaken a tender for the construction works on behalf of the City Council. On that basis, this report raises no significant legal issues.

Advice provided by Andrew James (Team Leader - Contracts and Commercial) on 18/05/2020.

Finance Advice: This decision will add a new scheme to the Public Sector Housing Capital Programme and therefore increase the total Programme by £130,000 in 2020/21. The Programme is funded by the Council's landlord account, the Housing Revenue Account (HRA), and this will avoid the need for the Council's Social Care (General Fund) budgets to fund the extension or take out a loan. The property is part of the Council's Housing stock and the HRA will recover the investment cost by charging an increased rent for the property under an interdepartmental agreement. The agreement will include the repayment of the outstanding investment if the property is no longer required. The HRA will fund the capital expenditure on the extension through Prudential Borrowing or, if there are sufficient un-allocated capital receipts available, these will be applied to reduce the need for borrowing.

Advice provided by Julie Dorrington (Senior Accountant (Housing Revenue Account)) on 10/06/2020.

Property Advice: This report raises no significant Property issues and the recommendations are supported.

Advice provided by Rodney Alan Martin (Development Manager) on 15/05/2020.

Procurement Advice:

Legal Services have advised that Nottingham City Homes satisfy the conditions for a Teckal exemption to the Public Contracts Regulations and are effectively an in-house service. On that basis, engaging them for delivery of this scheme is in keeping with Nottingham City Council's Contract Procedure Rules. As long as all further appointments required for these works (additional consultants, contractors, etc.) are carried out in accordance with their internal Contract Procedure Rules and, where required, the Public Contracts Regulations (for example, via a compliant third-party framework or a competitive procurement exercise), then there are no concerns with the proposed recommendations.

Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 12/03/2020 (confirmed 16/06/20).

Signatures

Linda Woodings as Portfolio Holder (PH Housing, Planning and Heritage)
SIGNED and Dated: 29/06/2020
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 22/06/2020