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Planning

Affordable Extra Care Housing Development - Preliminary Market Engagement

Portsmouth City Council

UK2: Preliminary market engagement notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2025/S 000-034850

Procurement identifier (OCID): ocds-h6vhtk-0552df

Published 24 June 2025, 4:53pm

Scope

Reference

P00005114

Description

Portsmouth City Council - the 'Council' - is seeking to engage with suitably experienced Providers in respect of a forthcoming contracting opportunity for Affordable Extra Care housing development and management in Portsmouth. It is envisaged this will be offered on a design, build, finance and operate (DBFO) contract, but other models will not be precluded at this stage.

Following completion of the Preliminary Market Engagement process, the Council will seek approval to undertake a formal procurement process to appoint a delivery partner to design, build, finance and operate the affordable extra care housing schemes, starting with the setting known as Edinburgh House.

The Extra Care Housing Delivery Programme will consist of several sites, which will

initially focus on sites owned by the Council, but the programme will also consider sites that are owned by a third party and the intention is to bring them forward for consideration over the coming years.

The programme will commence with the first development at Edinburgh House and will contribute to the Council's Corporate Plan 2024-26 and in particular Priority 3:

"Make sure that when people need additional help to live their lives, it is there for them by developing extra care and supported living services in the city for our older people and working age adults with care and support needs'.

In addition to the personal wellbeing and community benefits of enabling people to live in their own homes for as long as possible, the expansion of affordable extra care settings in Portsmouth will also deliver financial savings for the Council and the broader health and social care system.

The new Edinburgh House extra care housing setting is located at Sundridge Close, Cosham, Portsmouth, Hampshire, PO6 3JL, which seeks to provide at least 60 affordable extra care housing units. The appointed provider will be required to design a building to accommodate at least 60 units, secure a planning amendment with consent and required legal agreements, complete the detailed design, secure the necessary funding, including grant funding, if necessary, construct the new setting and then operate via housing management for a period as set out in the future lease.

The site is currently owned by the Council and the intention is for the Council to retain the freehold (disposal not precluded at this point) and offer a long lease arrangement, a minimum of 130 years if external public grant is required, which will include 100% nomination rights to the Council and will be 100% affordable.

Rent and service charge will be eligible for housing benefit should residents be eligible. Residents will only be eligible if they are being supported by Adult Social Care.

In 2023, the site secured detailed planning approval for 50 extra care housing units and was designated with a C3 planning classification. At that time the Council had intended to construct and operate the site utilising its own available resources and expertise. However, this position has changed, and the decision has been taken to secure the support of the market.

Although planning approval is in place for 50 units, a high-level massing study has been undertaken inhouse and it is believed that the site is suitable for at least 60 affordable units.

The appointed partner will be expected to undertake a design review of the existing planning approval and amend accordingly to meet the Council's aspirations of securing at

least 60 units. This will likely include a material amendment to the existing planning approval or develop a new application should that be needed.

All design details of the existing approved scheme will be shared at the start of the tender process. The design and layout of the existing scheme does not need to be adhered to.

The Council is currently seeking pre-application advice based on the revised massing study, which is being undertaken to demonstrate that a scheme with an increased number of units will be acceptable in planning terms. The Pre-Application advice will be shared when available.

Heads of Terms for Edinburgh House are yet to be fully agreed; however, it is anticipated that they will broadly be set around the following:

- Site Usage. Definition: For the operation of a C3 extra care setting, comprising of self-contained units with communal facilities, associated vehicle/pedestrian access, parking and landscaping.
- Lease Length. Definition: The lease will be for a term of 130 years.
- Rent/Premium. To be negotiated.
- Void Guarantees. To be negotiated.
- Parent Company Guarantee. Only when a PC exists.
- Alienation. Only sub-letting to nominated residential tenants.
- Repair Definition: Full repair and maintenance.
- Nominations Agreement. To be negotiated.
- PCC financial contribution towards development costs. To be negotiated but not expected

The development will be managed via an agreement for lease, which will be conditional on securing planning permission, securing the necessary funding and other agreed conditions. The agreement for lease will be subject to agreed longstop dates

The Council will seek to appoint a long-term partner, who will design, build, finance and operate Edinburgh House and potential other sites via the subsequent formal procurement process who shares their vision for the new affordable extra care housing setting.

The Council's current envisaged procurement procedure is set out below in high level summary. The Council is keen to engage with providers in order to gain input and insight which will inform the final procurement procedure and programme adopted.

Under the new procurement regulations - which came into force when the Procurement Act 23 went live on 24th February 2025 - it is the Council's current view that the contract will be classified as an above threshold works contract. The procurement process undertaken to establish the contract will therefore be classed as a 'covered procurement' and will need to be undertaken in full accordance with the Procurement Act 23.

The Procurement Act 23 has introduced the new 'Competitive Flexible Procedure' which will enable contracting authorities to design project specific procurement processes to align with project objectives and market norms.

In order to benefit from the flexibilities that are available under the new regulations, the Council will undertake a procurement process using the competitive flexible procedure which it is envisaged will encompass the following activities:

- Initial short-listing,
- Pre-submission dialogue,
- Interviews & presentations,
- Negotiations,
- 1st stage tender down-selection,
- 2nd stage best & final tender submissions,
- Post award pre-contract formalisation final negotiation.

The Council's envisaged summary procurement programme is set out below:

STAGE 1 - PRELIMINARY MARKET ENGAGEMENT AND BUSINESS CASE

- Issue PME Notice on Find a Tender Service - 24th June 2025
- Publish brief and supporting documents on In-Tend system - 24th June 2025
- On-line TEAMS briefing - 3rd July 2025 10:00 -11:00
- Deadline for 1-1 meetings expression of interest - 10th July 2025 17:00

- 1-1 engagement meetings - 14th - 24th July 2025
- Business Case update - September 2025

STAGE 2 - FINALISE DELIVERY STRATEGY

- Finalisation and approval of procurement strategy - October 2025 - January 2026

STAGE 3 - PROCUREMENT PROCESS

- Issue Tender Notice and PSQ - 19th January 2026
- PSQ return deadline - 20th February 2026
- Issue PSQ shortlisting decision - 9th March 2026
- 1st stage tender period - 23rd March - 8th May 2026
- Negotiation and dialogue period - 1st - 15th June 2026
- 2nd stage best & final tender period - 22nd June - 10th July 2026

STAGE 4 - AWARD AND MOBILISATION

- Evaluation & approvals - July - August 2026
- Issue assessment & Award Notice to Find a Tender Service - 3rd September 2026
- Standstill period - 15th September 2026
- Mobilisation (inc. finalisation of legal agreements) - October 2026

The first stage of the procurement process will invite suppliers to submit applications via submission of a Procurement Specific Questionnaire. Questionnaire responses will be assessed on a pass / fail and scored basis and will cover legal standing, financial standing, insurance, health & safety and scored relevant experience. This process will ensure that only providers with sufficient experience and scale will be taken forward to the next stage.

It is envisaged that the highest scoring 3-4 applicants would be shortlisted and invited to submit detailed tender submissions. Tenderers will have the option to participate in pre-submission 1-1 clarification dialogue.

Following evaluation of the 1st stage detailed tenders which will include for interviews &

presentations, the Council will have the option to conclude the procurement process at that point and proceed to award.

However, it will be more likely that the Council will engage in negotiations with all compliant or highest scoring down-selected tenderers prior to inviting 2nd stage best & final tender submissions.

Following evaluation of 2nd stage tenders, which may encompass further interviews & presentations, the Council will seek internal approval to commence award proceedings which will encompass the issuing of assessment summaries, contract award notice and observing a standstill period.

Following completion of standstill period the Council will engage in final negotiation of terms with the secured preferred bidder prior to finalising the contract, issuing a contract details notice and issuing a redacted copy of the final contract as required by the Procurement Act 23.

Contract dates (estimated)

- 5 October 2026 to 4 October 2051
- 25 years

Main procurement category

Works

Additional procurement category

Services

CPV classifications

- 45100000 - Site preparation work

- 45211200 - Sheltered housing construction work
- 45211340 - Multi-dwelling buildings construction work
- 45211341 - Flats construction work
- 45211350 - Multi-functional buildings construction work
- 45215210 - Construction work for subsidised residential accommodation
- 45215212 - Retirement home construction work
- 45215214 - Residential homes construction work
- 45453000 - Overhaul and refurbishment work
- 50710000 - Repair and maintenance services of electrical and mechanical building installations
- 50720000 - Repair and maintenance services of central heating
- 50750000 - Lift-maintenance services
- 70111000 - Development of residential real estate
- 70130000 - Letting services of own property
- 70210000 - Residential property renting or leasing services
- 70311000 - Residential building rental or sale services
- 70331000 - Residential property services
- 70333000 - Housing services
- 71200000 - Architectural and related services
- 71400000 - Urban planning and landscape architectural services
- 71510000 - Site-investigation services
- 71540000 - Construction management services

Contract locations

- UKJ31 - Portsmouth
- UKJ35 - South Hampshire

Engagement

Engagement deadline

24 July 2025

Engagement process description

Prior to undertaking the formal procurement process, which is currently targeted for commencement in early 2026, the Council is seeking to undertake preliminary market engagement discussions with suitably experienced providers to review in summary:

- Design standards
- Commercial Arrangement Options and Financing
- Wider Partnership Approaches for multiple Extra Care Housing Sites
- Procurement Process and Programme

The Council will run an on-line briefing via TEAMS on Thursday 3rd July 2025 between 10:00 and 11:00 where further information will be shared in relation to the existing design and planning approval of the extra care housing setting, opportunity analysis, provider specification, contractual terms, etc.

Following the briefing, the Council will then undertake 1-1 discussions with suitably experienced providers who can evidence current or recent experience acting as a lead organisation in the design, development and management of extra care or similar facilities between 14th July - 23rd July 2025. The Council has 6 slots available in total which will be allocated on a first come first served basis to providers.

All 1-1 meetings will be held remotely via Teams. The Council has made the following 1-1

meeting slots available. Providers are to state which they can attend and state their order of preference. Meeting slots will be allocated on a first come first served basis and will be confirmed to Providers at least 2 working days before the earliest meeting slot.

Following confirmation by both parties the Council will issue a Teams link to the Provider's attendees / delegates at least 1 hour before the 1-1 meeting.

- Monday 14th July, 9.30pm - 10.45pm
- Tuesday 15th July, 14.00pm - 15.15am
- Friday 18th July, 9.30am - 10.15pm
- Monday 21st July, 13.00pm - 14.15pm
- Wednesday 23rd July, 13.30pm - 14.45pm
- Friday 25th July, 10.00am - 11.15am

Providers who are interested in attending a 1-1 meeting must complete and return an Expression of Interest, Conflict of Interest Statement and Non-Disclosure Agreement by no later than Thursday 10th July 2025 17:00 via the Council's In-Tend e-sourcing system. However, as slots will be allocated to suitably experienced providers on a first come first served basis interested providers are encouraged to submit in advance of this deadline.

Providers will only be invited to attend the 1-1 meetings where no conflicts are declared which cannot be mitigated, where the Non-Disclosure Agreement has been appropriately signed without any material amendments and where the Expression of Interest form has been fully completed including for self-certification of meeting all stated minimum experience requirements. These requirements are detailed in the PME Brief document available via In-tend and includes for experience of:

- Responsibility for or key involvement in pre-construction activities for similar size, scale, extra care or similar residential schemes (e.g. supported living), including for architectural design, surveys, planning, programming, project management, etc.
- Responsibility for or key involvement in facilitating / obtaining significant development funding, which may include on or off-balance sheet funding
- Responsibility for or key involvement in construction of similar size, scale, extra care or similar residential schemes
- Responsibility for or key involvement in FM, servicing and property maintenance of similar size, scale, extra care or similar residential schemes

- Responsibility for or key involvement in housing management for similar size, scale, extra care or similar residential schemes
- Partnership working with care providers and other key operational stakeholders
- Partnership working with public sector body client

Providers are required to state which meeting slots they are able to attend and state order of preference for the dates and times available within their completed Expression of Interest form. Providers will be allocated their preferred slots wherever possible, but priority will be given on a first come first served basis. Should more than 6 compliant applications be received by the deadline stated above the 6 slots will be allocated to providers in order of receipt from earliest first.

Where Providers have any questions in respect of the participation requirements, process or any other matters these must be addressed to the Council via it's e-sourcing system In-tend using the correspondence function.

The Council is keen to discuss and seek views from operators on a range of topic areas / questions detailed within the PME Brief through the 1-1 meetings. The list of areas / questions is non-exhaustive and will be developed within the 1-1 meetings through open collaborative dialogue.

Providers are encouraged to put forward their own items for discussion at the meeting, ideally providing this in advance either in their expression of interest form or subsequently via In-tend correspondence.

Providers have the option of providing a brief presentation at the 1-1 meeting and supporting summary report, although this is not a mandatory requirement and providers who do not wish to provide information in these formats will not be disadvantaged in respect of the Preliminary Market Engagement and subsequent formal procurement processes.

Similarly, providers should note that there is no obligation to take part in this preliminary market engagement exercise and that if they do not take part, it will not preclude them from the subsequent related procurement process. Engaging providers will not receive preferential treatment in any procurement tender process, and this is in no way an indication of the selection of any organisation or a guarantee of future work.

Following completion of the Preliminary Market Engagement process the Council will compile a summary report in accordance with Procurement Act 23 requirements which, without breaching commercial confidentiality for all parties, outlines participants, meeting dates, summary agendas and high-level findings.

The Council will also compile provider specific summary reports which include detailed information, and which will be kept strictly confidential. This will include all detailed discussions in respect of commercial arrangements, costs, demand projections, etc. The Council will issue the high-level summary report to all providers who take part in this process and share the provider specific detailed reports with the relevant individual providers during August 2025. Providers will be given the opportunity to review the content of the reports and provide any comments / required amendments before they are finalised.

To ensure compliance with fair and equal treatment principles set out within the Procurement Act 23, and not creating advantage or disadvantage that cannot be effectively mitigated, the high-level summary report is likely to be included within the procurement documents issued as part of the subsequent formal procurement process. The provider specific detailed reports will not be shared.

Further details in respect of the briefing session, detailed agenda, booking instructions, date and time slots, Council team, In-Tend e-sourcing system access & operation, clarification protocols, key 1-1 agenda points / questions, etc. can be found within the PME Brief document available via In-tend.

The Council will administrate the preliminary market engagement process using its e-sourcing system In-Tend which will be used for:

- Access to and issue of information and documentation
- Clarification requests and response
- Expression of interest submission
- Allocation of 1-1 meeting slots
- Issue of Preliminary Market Engagement High Level Summary and Operator Specific summaries for review and agreement

Accordingly, there will be no hard copy documents issued to providers and all communications, outside of the 1-1 meetings, with the Council, must be conducted via In-Tend using the correspondence function which can be accessed for free using the following link:

<https://in-tendhost.co.uk/portsmouthcc.aspx/Home>

Any queries or requests for clarification about this Preliminary Market Engagement Process must be submitted via the 'correspondence' function on In-Tend. It is the responsibility of Providers to monitor the system, which will issue automated email

notifications to registered emails, for clarification responses, meeting slot allocations, issue of further documents, etc.

Submission

Publication date of tender notice (estimated)

19 January 2026

Contracting authority

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