

Authority to receive and spend external funding on Burmantofts Community Wellbeing Centre Project

Date: 2nd September 2022

Report of: Chief Officer, Health Partnerships

Report to: The Director of Adults and Health

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief Summary

The Project seeks to replace the existing Leeds Community Health Care NHS Trust owned Burmantofts Health Centre, with a new community asset, Burmantofts Community Wellbeing Centre, that will offer an increased range of services delivered by NHS, LCC, the third sector and community members. Creation of the centre will contribute to the city ambitions for health and wellbeing, inclusive growth and climate.

This report seeks approval to receive, via West Yorkshire Combined Authority (WYCA), external funding of £242,000 from the Government's One Public Estate (OPE) Phase 9 programme (awarded in March 2022) specifically to fund the next phases of business case development for the proposed centre. A funding agreement between WYCA and Leeds City Council (LCC) is required and currently being developed by WYCA's and LCC's Legal Services.

Approval is sought for the authority to spend against the project's overall funding package (consisting of 4 already secured elements – OPE, Local Centres Programme Fund, iBCF Spring Budget, Health & Care Partnership funding), and the transfer of this into the project's budget (cost centre 50537), which will be managed through Health Partnerships, on behalf of the city's health & care Strategic Estates Partnership.

Recommendations

The Director of Adults and Health is recommended to:

- a) Give authority to receive £242,000 of One Public Estate (Phase 9) funding from West Yorkshire Combined Authority (WYCA) and enter into a funding agreement between LCC and WYCA.
- b) Approve bringing together different funding streams into a single project budget (cost centre 50537 as per para 6 below).
- c) Give authority to spend and administer the overall budget for the purpose of delivering the project's business case, on behalf of the city's health and care estate partnership.
- d) Note the role of Community Ventures Leeds in progressing business case development
- e) Note the timescale to complete the outline business case work.
- f) Note the Estates Programme Manager as the officer responsible for implementation of this decision.

What is this report about?

- 1 Burmantofts Community Wellbeing Centre Project seeks to replace the existing Burmantofts Health Centre, owned by Leeds Community Health Trust, with a new community asset that will offer an increased range of services delivered by NHS, LCC, as well as the voluntary and community sector.
- 2 This report seeks approval to receive external funding of £242,000 from Phase 9 of the Government's One Public Estate (OPE) programme, via West Yorkshire Combined Authority (WYCA), into the council and the cost centre (50537) for the Burmantofts Community Wellbeing Centre Project. This funding is specifically to enable development of the next phases of the business case for the proposed Burmantofts Community Wellbeing Centre.
- 3 The OPE funding is critical to enabling continued progression of business case development for the proposed new Burmantofts Community Wellbeing Centre. Following successful completion and approval, in November 2021, of a Strategic Outline Case for the proposed new Burmantofts Community Wellbeing Centre there was a need to secure further revenue funding to support the project's next phase of business case development. A funding bid was submitted under OPE round 9 in November 2021; March 2022 saw confirmation of success in securing the full amount.
- 4 OPE is an established national programme delivered in partnership by the Cabinet Office and Local Government Association (LGA). It provides practical and technical support and funding to councils to deliver ambitious property-focused programmes in collaboration with central government and other public sector partners. The OPE programme is managed on regional footprints, requiring bids to be submitted through regional partnerships, even when place-focused. For Leeds this is done through West Yorkshire Combined Authority who, when funding is secured, is the initial recipient of the OPE monies.
- 5 The £242,000 allocated to the Burmantofts project is currently sitting with WYCA, pending transfer to LCC upon necessary approvals on both sides, and signing of a funding agreement between WYCA and Leeds City Council (LCC). This is not the first time that LCC has been successful in securing OPE funding, having received allocations in OPE rounds 4 and 5, thus there is a precedent for receiving monies and signing what will be a standard funding agreement (which under round 4 and 5 have already been approved by LCC's legal team).
- 6 The cost of developing a full business case is directly linked to the estimated capital build cost of a project. Based on an estimated capital build cost of £15m, it is thought that to get to full business case will cost in the region of £600,000. Therefore, in addition to the OPE funding further funding has been secured to provide a budget that will substantially cover costs through to completion of a full business case. These consist of monies that are already in LCC accounts and have received necessary approval for allocation to the project elsewhere in the council. An overview of these allocations is provided below:

Source	Amount
One Public Estate (OPE)	£242,000
Health & Care Partnership Funding ¹	£150,000
Local Centres Fund ²	£50,000
iBCF ³	£45,000

Total	£487,000
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¹Allocation already accounted for in transfer of funding from health system partners to LCC ahead of the financial year end 2021/22, as detailed in letter to Tom Riordan provided at appendix 1.

²Housing Revenue Account funding already approved by the Local Centres Programme Board and authorised by the Chief Officer, Asset Management and Regeneration.

³Unspent from previous allocation, approved in 2019, of £120k to progress the project.

- 7 Approval is sought for authority to spend against the project's overall funding package, which will be managed through Health Partnerships, on behalf of the city's health & care estate partnership, and for transfer of the total funding package (OPE, Local Centres Fund, iBCF Spring Budget, Health & Care Partnership funding) into the project's budget (cost centre 50537).
- 8 A key priority over the next 12 months will be to identify and secure a capital funding stream, which will cover the shortfall between the revenue funding already secured, as detailed in para 6 above, and the total cost of business case development. For clarity, within capital projects it is possible, and standard practice, to capitalise revenue costs associated with the scheme such as business case development.
- 9 In January 2021 approval, via Adults & Health DDP, was given to commission Community Ventures Leeds (CVL) to support health and care partners to develop an outline business case for the project. CVL is a notable partner in the city, in terms of health and care estate, originally set up in 2004 to deliver new infrastructure under the Local Improvement Finance Trust (LIFT) model. Part of the local partnering agreement makes provision for consultancy services to be commissioned on an 'ad hoc' basis by health and care partners. This provides health and care partners in Leeds with a route to commissioning services without the need to go out to tender. The Project Team will continue to work with LCC Procurement to ensure that the most appropriate procurement routes are used for this project.
- 10 CVL have completed the Strategic Outline Case element of the commission approved in January 2021 and are progressing work on the Outline Business Case on a stage-by-stage basis with the project board approving progress to each subsequent stage, therefore enabling robust monitoring and control and assurance that agreed milestones have been achieved.

What impact will this proposal have?

- 11 Delivery of the proposed new centre will make a real and long-lasting improvement in the health and wellbeing of the local Lincoln Green and Burmantofts communities. The new centre will not only support improved health care provision through delivery of modern clinical space, it will also create access for the communities of Lincoln Green and surrounding areas to new, improved and expanded services. These services will be enabled and delivered by third sector organisations, the council and NHS organisations and community members. This will contribute to reducing health inequalities and supporting local communities to improve their health and stay well, thus contributing to the ambition of being the best city for health and wellbeing.
- 12 The project will enable additional council services to be delivered in the heart of Burmantofts, including employment and skills support, job shop facilities and internet access, which will help contribute to improving employability ambitions of the Inclusive Growth Strategy.
- 13 In addition, matters relating to climate such as sustainability, energy efficiency and zero carbon, will be key throughout the design process of the new centre. These will range from consideration of proposed build materials, mechanical and electrical installations, as well as building placement and interaction with the surrounding environment.

- 14 It is hoped that the centre will also act as a catalyst in the area for further investment, improvement in community facilities, housing and the urban environment.
- 15 An equality and diversity / cohesion and integration screening has been completed, attached at Appendix 2, specifically in relation to the Outline Business Case development stage. It is considered that there are no impacts which would require a full assessment at this stage. It is, however, anticipated that should the proposal progress to Full Business Case that an Equality Impact Assessment would be required at that stage.

How does this proposal impact the three pillars of the Best City Ambition?

- Health and Wellbeing Inclusive Growth Zero Carbon

16 Health and Wellbeing: Leeds's ambition to be the 'best city for health and wellbeing' sits at the heart of this project. Lincoln Green, as with other communities experiencing significant levels of deprivation, requires support to reduce health inequalities and address wider determinants of health which adversely impact on the lives of those who live there. A new community wellbeing centre will not only provide space for invaluable community activity to support locally determined priorities (e.g., homework clubs, employment and skills training, library services), it will also deliver GP and health facilities fit for the 21st century. Further to the above the proposed new development would support the following outcomes of the strategy:

- People will live longer and have healthier lives
- People's quality of life will be improved by access to quality services
- People will live in healthy, safe and sustainable communities

17 Inclusive Growth: Lincoln Green has already benefited from focused recruitment and skills training opportunities by Leeds Teaching Hospitals Trust, in its role as an Anchor Institution, resulting in a number of local residents securing employment with the Trust. The proposed development of a new community wellbeing centre will enable similar activity to be extended and embedded across a wider range of employers and routes to employment.

This proposal supports a number of the 12 Big Ideas within the city's Inclusive Growth Strategy under each theme, these being:

People

- Best city for health and wellbeing
- Working together to create better jobs, tackling low pay and boosting productivity

Places

- Supporting places and communities to respond to economic change
- Doubling the size of the city centre
- 21st century infrastructure

Productivity

- Leeds as a digital city

18 Climate Emergency: Matters relating to climate, such as sustainability, energy efficiency and zero carbon, will be key throughout the design process. These will range from consideration of proposed build materials, mechanical and electrical installations, as well as building placement and interaction with the surrounding environment. Consideration of designing to 'passivhaus' standard has also been mentioned in relation to the project.

What consultation and engagement has taken place?

Wards affected: Burmantofts and Richmond Hill		
Have ward members been consulted?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

19 In line with best practice and a desire to ensure that the community is at the heart of this project and see the new centre as somewhere they want to go to, consultation and engagement has taken place with local residents, Ward Members, NHS partners, third sector organisations and council officers. Overwhelming support has been given to the potential of developing the community wellbeing centre, providing an expanded range of services and spaces, including increased community use.

20 Local Ward Members have been unanimous in supporting the proposals and are eager to see the project progressed as soon as possible. In November 2021 Members showed this support by agreeing to allocate their Ward pot of £50,000 Local Centres Programme funding to the project. This funding, from the Housing Revenue Account, has subsequently been approved by the Chief Officer, Asset Management & Regeneration.

21 It is proposed that throughout 2022/23 there will be further Member engagement at Executive and Ward level. It is envisaged that Ward Members will have a key role in supporting and enabling both community engagement and in championing the project across various forums with local interest.

What are the resource implications?

22 In terms of commissioned resources, Health Partnerships Team will act as client, reporting to Strategic Estates Board and the multi-partner Burmantofts Community Wellbeing Centre Project Board for decisions and assurance, as well as well as linking with the Lincoln Green Regeneration Programme Board to ensure alignment with the wider regeneration and investment plan activities in the area. Leeds Community Healthcare NHS Trust's role as system lead for the Project will be reviewed within the next 12 months, alongside the exploration of capital funding options.

23 As stated above, funding has already been secured through a variety of sources including external funding, reducing the burden on the council's finances. The shortfall between the revenue funding already secured, as detailed in para 6 above, and the total cost of business case development could potentially be met through the capital funding the outline business case will identify and assist us to secure. For clarity, within capital projects it is possible, and standard practice, to capitalise revenue costs associated with the scheme such as business case development.

24 As agreed by Adults and Health Delegated Decision Panel in January 2021, CVL has continued to work with the project to deliver the outline business case, under a revised agreement. The

estates programme, through HPT, will continue to manage the relationship with CVL and any other commissioned resources, process payments against the project's budget and work with LCC Procurement on procurement of resources for subsequent stages of the Project.

What are the key risks and how are they being managed?

- 25 Risk management forms part of the overall project management arrangements and a separate risk register is maintained by Health Partnerships in conjunction with Community Ventures Leeds. Risks are reported to the Project Board on a periodic basis to aid in their effective management.
- 26 Given the £487,000 spend relates solely to the funding of the business case the main risk, at this point, is that the project does not continue, and therefore the costs are abortive. However, with current partner commitment (in-principle) to the proposal and the wider neighbourhood investment plan work this risk is assessed as low.
- 27 There is a further risk associated with the identified shortfall of c.£113,000 in the cost of developing the business case, overall estimated cost £600,000. This will be mitigated by two means:
 - Through establishment of a finance working group tasked with identifying and securing a capital funding route for the project. Once capital is secured this shortfall will be covered by capitalising the revenue requirement as part of the overall funding package.
 - Commissioning resources to work on the Project on a stage-by-stage basis, therefore enabling robust monitoring and control that agreed milestones have been achieved, with the project board approving progress to each stage.

What are the legal implications?

- 28 LCC Legal Services are providing support in developing and signing the appropriate agreement documentation for the OPE funding. As stated above there are already agreements of this nature previously signed between LCC and WYCA, so this is not a new process.
- 29 As stated in the January 2021 Delegated Decision Panel Report, there is a pre-procured route to commission CVL to undertake the necessary business case development, as LCC is a signatory to the Strategic Partnering Agreement (SPA) that established CVL as a key city partner in the development of health and care estate. The SPA makes provision for CVL to provide partnering services, including services required on an ad hoc basis, paid for by those partners requesting them. Whilst the Council is not tied in to using CVL the SPA does provide a legitimate route to commission this work. The benefits of commissioning CVL on this project, are as outlined at para 10. The Project Team will continue to work with LCC Procurement to ensure that the most appropriate procurement routes are used for this project.
- 30 There are no access to information issues at this stage of the project.
- 31 Approval of authority to spend, as per this report, is deemed a Significant Operational Decision to be taken under officer delegation and is not subject to call-in, as per the Council's decision-making policy.

Options, timescales and measuring success

What other options were considered?

32 The Project has explored all relevant funding options as they have arisen throughout the lifetime of the Project. Given current financial pressures experienced by the council and NHS partners, covering locally the total funding requirement of the business case development phase securing of external funding was the preferred option. Successful bids were made to OPE, as well as the already ringfenced LCC funding pots, e.g., iBCF and the Local Centres Programme necessary. A Finance Workstream is being convened in September 2022 to undertake work on identifying funding options for completion of the business case phases and capital build costs.

How will success be measured?

33 Success, in terms of the stage-by-stage work of CVL is being measured against the partnering agreements entered into for each stage, and sub-stage. These detail the scope of work, as well as time and cost limits for completion for each stage. The work, outputs and success is being monitored by the estates programme team, reporting to the project board.

34 For the overall project the Strategic Outline Case, approved in November 2021, details a range of success measures associated with the project, on the assumption of delivery. Success will be measured against project objectives, which are:

- a) SO1 - To provide a service mix and accommodation which will encourage utilisation by the Lincoln Green community, supporting them as a priority neighbourhood/ward.
- b) SO2 - To improve the quality and condition of health and community accommodation in the Lincoln Green area.
- c) SO3 - Provision of NHS Health Building Note compliant clinical space.
- d) SO4 - Optimise utilisation through provision of multi-functional and flexible space for a range of partners.
- e) SO5 - Deliver a building designed to BREEAM 'Excellent' design standard.
- f) SO6 – Deliver a net carbon neutral building.
- g) SO7 - Provision of embedded digital capabilities that support new models of service delivery for all occupiers.

What is the timetable and who will be responsible for implementation?

35 The timetable for the Project's key milestones is as follows. The milestone timetable post April 2023 is dependent on securing of capital funding to support ongoing project delivery and agreement of the Project Board.

Date	High level milestone
November 2021	Strategic Outline Case Approval by partners
January 2022	Confirmation of schedule of accommodation

May 2022	RIBA stage 2 commence
November 2022	Pre-app submission made to Local Planning Authority
December 2022	RIBA stage 3 commence
March 2023	Outline Planning application submitted
March 2023	Funding route confirmed and business case developed
September 2023	Full Planning/reserved matters application submitted
November 2023	Procurement commencement
February 2024	Procurement award
May 2024	Start on site
December 2025	Practical completion

Appendices

- Appendix 1 – letter regarding allocation funding transferred from NHS partners to LCC
- Appendix 2 - Equality and diversity / cohesion and integration screening

Background papers

- None