

Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

25th April 2005

DEVELOPING HEALTH & SOCIAL CARE CENTRES THROUGH LIFT AND NEW DEAL FOR COMMUNITIES

Report of the Corporate Director, Social Care and Health

1. Purpose of Report

- 1.1 This report describes the programme for developing Health and Social Care Centres across the City. It seeks approval from Cabinet for delegated authority to progress with the Council's involvement in the next stage of Leicester LIFT (Local Improvement Finance Trust), as outlined in the second Strategic Service Development Plan (SSDP).
- 1.2 The Draft of the second SSDP is available on the Council's website at www.cabinet.leicester.gov.uk, in the Group Rooms in the Members' Area or by telephoning Committee Services on (0116) 252 7154. The SSDP states the joint aspirations of the partners but does not legally commit the Council to any projects.

2. Summary

- 2.1 Cabinet will recall that, through Leicester LIFT and the Braunstone New Deal for Communities Initiative, it is intended to develop a total of seven Health and Social Care Centres across the City, together with a larger number of health facilities. The Strategy aims to improve the health and wellbeing of Leicester's citizens through better access to Primary Care Services in buildings, which are accessible to the public and comply with current and projected building/office standards. Other than Braunstone, the buildings will be built and owned by Leicester LIFTCo. Within each building, the local NHS Trusts and the Council can lease accommodation. Each LIFT Centre could also have the capacity to incorporate a Customer Service Base, offering public access to a wide range of Council services. The overall initiative plans to accommodate approximately 200 of the 400 Social Care and Health staff currently located within the Grey Friars complex and the Town Hall, plus up to 130 staff located in other Council premises.
- 2.2 The first of these Centres, funded via Braunstone New Deal, namely the Braunstone Health and Social Care Centre, is due to open shortly.

- 2.3 The Leicester LIFT first SSDP was completed in July 2002 and included mention of the first LIFT Health and Social Care Centre at Charnwood, planning for which is well underway. The draft of the second SSDP (attached as an Appendix to this report) outlines plans to develop a further four or five Health and Social Care Centres across the City.

3. Recommendations

- 3.1 That progress with the development of Health and Social Care Centres through Leicester LIFT and the Braunstone New Deal is noted.
- 3.2 That Cabinet delegates authority to the Corporate Director of Social Care and Health, in conjunction with the Leader, the Cabinet Lead and the Corporate Director of Resources Access and Diversity to sign off the final version of the LIFT second Strategic Service Development Plan.
- 3.3 That Cabinet determines that agreement by the Council to progress with the additional projects listed in the second LIFT Strategic Service Plan is subject to further Cabinet decisions based on confirmation of affordability, including the final position on PFI Credits.

4. Headline Financial and Legal Implications

- 4.1 There are no financial implications arising from signing off the SSDP.
- 4.2 There will be significant and potentially wide-ranging financial and legal issues for the Council when entering into further projects. These continue to be actively worked upon and will need to be carefully evaluated at each stage to ascertain affordability. The current situation is described in detail in the Supporting Information
- 4.3 There are also wider implications for the financial aspects of the Council's City Centre accommodation strategy. It is currently planned that some of the staff to be relocated to LIFT accommodation will be moved on an interim basis from their current location and relocated within other CLABs in order to release part of Grey Friars for disposal.

(Colin Sharpe, Head of Finance – ext. 8800)

- 4.4 At their meeting on 6th March 2004, Cabinet passed the necessary resolutions to enable the Council to become part of the Strategic Partnering Agreement for Leicester LIFT. This would enable the Council to become part of the Strategic Partnering Board (and thus be able to agree the annual SSDP) but would also commit the Council to the exclusivity arrangements. These mean that, where a project is identified in the annual SSDP, so long as the SPB are satisfied that the LIFT Company's proposals for that project meet the set approval criteria, then that project will proceed. The LIFTCo has a right to provide the Council with serviced accommodation as expressly set out in the SSDP and the Council is required to ensure that it contracts with the LIFT provider for such serviced accommodation.
- 4.5 The Council has not yet become a party to the Strategic Partnering Agreement as the NHS parties' solicitors have not yet responded following notification of the outcome of Cabinet on 6th March.

- 4.6 I would strongly recommend that any “approval” of the SSDP to be subject to a caveat by the Council that as far as facilities and services for social care and any other purposes indicated on the part of the Council are concerned it is aspirational only and it does not comprise any express setting out of its serviced accommodation provision (“Required Facilities”) for the purposes of the Strategic Partnering Agreement, and any such aspirations are to be regarded as “carved out” of the SSDP. This position was accepted and agreed by the LIFT Strategic Partnering Board at its meeting on Friday 8th April.

(Joanna Bunting, Assistant Head of Legal Services – ext. 6450)

5. Report Author/Officers to contact

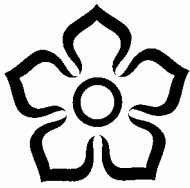
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DECISION STATUS

Key Decision	Yes
Reason	Significant in terms of its effect on communities living or working in an area comprising one or more ward
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)



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SUPPORTING INFORMATION

1. Braunstone Health and Social Care Centre

- 1.1 The Braunstone Health and Social Care Centre is based on the same integrated service model as LIFT, but is a partnership with the Braunstone Community Association (BCA) using New Deal for Communities money to fund the initial capital construction cost.
- 1.2 The lease of the building is shared between the Leicester City West Primary Care Trust, who have 87% of the square footage and the Council's Social Care & Health Directorate who occupy the remaining 13% of the building. The rental from the property will create a long-term income stream for the local community.
- 1.3 The Centre is planned to open to the public on 25th April 2005.

2. Leicester LIFT

- 2.1 The Local Improvement Finance Trust (LIFT) is a major initiative from the Department of Health to invest £1 billion in improving and expanding the buildings from which health and social care services are provided in the community. Leicester is one of 42 areas in the country to benefit from this programme.
- 2.2 Many of the health centres in the City were built in the 1970s and are no longer suitable for the provision of modern healthcare services. Few General Practitioner surgeries have been purpose built, and a number of GPs are working from unsuitable premises. Some buildings need significant improvement to meet current disabled access and health and safety requirements. There are few buildings that are suitable for integrating health and social care services in the City. Leicester LIFT partnership aims to help resolve these

issues and support the city's vision for co-located community-based health and social care services in 6 LIFT Health and Social Care Centres to be built across the City.

- 2.3 LIFT is a public private partnership, for which a new company, known as LIFTCo, has been formed. The private sector company will be a partner for 25 years and it is in their interests to sustain the property portfolio and be on good terms with their public sector partners. The Company will achieve its income from rentals paid by the NHS and the Council. LIFTCo is majority owned by the private sector. In addition to the Council, the key partners in Leicester LIFT are the local NHS Trusts (Leicester City West Primary Care Trust and Eastern Leicester Primary Care Trust), Partnerships for Health (the public private partnership organisation established by the Government to facilitate the development of LIFT nationally), and Leicestershire Partnership NHS Trust.
- 2.4 The Strategic Partnering Agreement is entered into by LIFTCo and the public sector participants. This sets out how the parties will act together in achieving the long-term objectives of LIFT.
- 2.5 The relationship between LIFTCo and the public sector participants is governed by the Strategic Partnering Board, which comprises one representative from each public sector participant organisation, one representative from LIFTCo and other representatives from the local health and social care community as agreed by the Participants. The parties have appointed Mr Michael Cooke as an independent, non-executive chair of the Board. The Strategic Partnering Board appoints the public sector Participants' Director to the LIFTCo Board, and formally reviews the operation of the Strategic Partnering Agreement.
- 2.6 The Strategic Partnering Board approves the annual Strategic Service Development Plan and approves new projects - it is therefore effectively a commissioning partnership for the LIFTCo.

3. Background

- 3.1 At its meeting on the 29th July 2002, Cabinet confirmed its support for the principle of co-located services provided by the City Council together with the NHS and other partners. Cabinet further gave approval to the Corporate Director of Social Care and Health, in consultation with the Leader, the Cabinet Lead, the Chief Finance Officer and the Head of Legal Services, to sign off the:
 - a) LIFT Strategic Service Development Plan, and
 - b) Braunstone Health and Social Care Full Business Case

It was requested that further staged reports be brought to Cabinet when final endorsements of the Council's role were required.

- 3.2 At its meeting on the 24th March 2003, Cabinet also approved recommendations with regard to the submission of a bid for PFI (Private Finance Initiative) credits to the Office of the Deputy Prime Minister (ODPM), to support the development of the LIFT initiative in the context of the Joint Service Centre concept.

3.3 At the meeting on 22nd September 2003, Cabinet –

- a) Supported involvement in the first phase of LIFT Schemes
- b) Approved the disposal of the Charnwood Family Centre site
- c) Agreed that the Council become a member of the LIFT Strategic Partnering Board
- d) Agreed that the Council did not become a shareholder in Leicester LIFTCo; and
- e) Requested a report on the affordability of involvement in future phases of the LIFT development when the national and local funding position was clearer.

3.4 At the meetings on 16th August 2004 and 7th March 2005, Cabinet endorsed the previous decision to proceed with the Leicester LIFT and agreed the precise wording required for the LIFT Strategic Partnering Agreement and therefore membership of the Strategic Partnering Board.

4. Phase 1 LIFT Schemes, including Charnwood Health and Social Care Centre

4.1 The initial phase of eight LIFT Schemes were outlined in the first Strategic Service Development Plan presented to Cabinet in July 2002. Amongst the first phase LIFT schemes that are currently being progressed/planned are:

- a) A small primary care practice on Narborough Road.
- b) A medium sized primary care centre (replacing the existing St Peter's medical centre).
- c) A large Health and Social Care Centre, incorporating the sites of the existing Charnwood Health Centre and the Charnwood Family Centre. This is the only part of the first phase in which the Council will take a lease.

5. Future LIFT Schemes, including 4/5 further Health and Social Care Centres

5.1 The second LIFT Strategic Service Development Plan outlines the future programme of buildings proposed for development through Leicester LIFT. Included within the programme for development over the next 5/6 years are proposals for further Health and Social Care Centres at -

- a) Eyres Monsell/Saffron
- b) Belgrave
- c) Stoneygate
- d) New Parks/Beaumont Leys

5.2 In addition to these, a further possible Health and Social Care Centre is being considered with the Eastern Leicester PCT to cover the North East part of the City.

5.3 This would complete the planned programme of seven Health & Social Care Centres for the City, six being provided by LIFT and one by Braunstone New Deal.

- 5.4 It had been proposed that each of the LIFT Health and Social Care Centres (of which Charnwood is the first) could include the potential for development of a neighbourhood Customer Services base, to provide information about and contact with a range of Council services. This original proposal required an additional 60 sq. metres per centre with additional RAD staff in each centre. Although desirable, this model is not considered affordable at the current stage. We are currently reviewing options within the terms of the PFI funding agreement.
- 5.5 Also included within the list of future schemes in the second SSDP to be developed through LIFT, is further development of the Intermediate Care Facility at Brookside Court. This is a second stage of the Intermediate Care Strategy, being progressed jointly by the Council with the Strategic Health Authority and City Primary Care Trusts at Brookside Court in Knighton and Butterwick House in Beaumont Leys. This service has been visited and considered by the Social Care and Health Scrutiny Committee, and the next stage of the development will be subject to a report to a future meeting of Cabinet.

6. Corporate Accommodation Strategy

- 6.1 Taken together as an overall strategy, the proposed development of Braunstone and the six LIFT Health and Social Care Centres across the City provide a key component for the re-provision of office accommodation for Social Care and Health staff.
- 6.2 Staff in the Adults and Older Persons Divisions, currently based at 1-5 Grey Friars/St Martins and other offices, including Sulgrave Road, the Rowans, Layton House and Lincoln Street, will move into new Health and Social Care Centres. This will release space and capital assets for the Council's use. It would also free some of the existing non-CLABs buildings' running cost budgets towards the revenue costs of the Health and Social Care Centres.
- 6.3 The remaining Children's Services staff will remain at 1-3 Grey Friars (which as part of the Strategy is to be refurbished), and Eagle House.

7. Financial Implications

- 7.1 The costs of progressing with the Health and Social Care Centres at Braunstone and Charnwood were covered in previous reports to Cabinet, and provision has been made within the SC&H Budget Strategy.
- 7.2 In the longer term, the principal way in which most of the additional annual revenue cost of LIFT schemes could be offset, would be if the Council were to secure Private Finance Initiative Credits from the Government. These credits are available to promote and support PFI schemes, the additional revenue costs of which would otherwise be unaffordable to local authorities. The cost elements not funded by PFI credits would be met by savings arising from some of the non-CLABs accommodation vacated by staff moving into the new centres, with any remaining costs met by a contribution from the Department's revenue budget.

- 7.3 Support has been received from the Office of the Deputy Prime Minister (ODPM), subject to the submission of a satisfactory full Outline Business Case, to a Local Government Joint Services Centre Private Finance Initiative (PFI). This will provide the Council with PFI Credits of £10.4 million and support the Council's involvement with the first four of the six planned LIFT Health and Social Care Centres. This would be insufficient to participate fully in the second SSDP.
- 7.4 Therefore, in addition to the work on the Outline Business Case, a further bid for PFI Credits for the remaining two Centres has recently been submitted, following an invitation from the Office of the Deputy Prime Minister, Department of Health and the Department for Culture, Media and Sport. This would be sufficient for the Council to participate fully in the second SSDP.
- 7.5 If the Council is able to participate fully in all LIFT Centres over the next five years, then substantial capital receipts and revenue savings could be achieved as current premises are vacated. The Council will also be relieved of the need to invest substantial sums of money into these premises to meet health and safety and structural repairs and maintenance requirements.
- 7.6 It remains the Corporate Director's view that on the balance of benefit and risk, the Council should continue to actively support the LIFT initiative, but that participation in the future Centres after Charnwood should be considered at the time on a centre by centre basis, in the light of the availability of PFI credits and overall affordability.

(Colin Sharpe, Head of Finance, ext. 8800)

8. Other Implications

OTHER IMPLICATIONS	YES /NO	Paragraph References Within Supporting information
Equal Opportunities	Yes	Access to services.
Policy	Yes	This entire report has policy implications
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on low incomes	Yes	Access to services.

9. Risk Assessment Matrix

RISK	LIKELIHOOD			SEVERITY OF IMPACT			CONTROL ACTION
	Low	Med	High	Low	Med	High	
Finance							
1. Lease costs higher than estimated	√					√	Estimates based on best estimates from LIFT and preferred bidder
2. PFI credits not available		√				√	Lobbying being carried out at a national level. Without new funding being made available authorities throughout the Country will have difficulty with involvement in LIFT initiatives
Reputation							
1. Financial risk causes the authority to fail to engage in the LIFT initiative		√			√		Robust process for balancing potential risks against future benefits.
2. A budget shortfall is caused by involvement with LIFT		√			√		Firm commitments will be made only once affordability is confirmed.
Strategic Objectives							
1. RAD's DRS assumes the disposal of Grey Friars and other SC&H office bases. Without LIFT will need alternative accommodation to be identified for over 400 staff		√			√		Proactive approach towards involvement in LIFT.
Departmental Objectives							
1. Co-location of services is an accepted priority for SC&H and Health partners. Without LIFT involvement this will be difficult to achieve.		√				√	Proactive approach towards involvement in LIFT.

10. Background Papers – Local Government Act 1972

10.1 Reports to Cabinet 29.7.02, 24.3.03, 22.9.03, 16.8.04 and 7.3.05.

11. Consultations

11.1 A Council Project Group has been established with a membership drawn from Council Departments. Leicester LIFT has developed its own consultation processes, particularly with affected parts of the NHS (including GPs), with the Local Authority and with the public. Extensive consultation has taken place with Braunstone Community Association and Leicester West PCT.

12. Report Author/Officer

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