
A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it refers to the identity, financial and business affairs of an organisation and the amount of expenditure proposed to be incurred by the Council under a particular contract for the supply of goods or services.

Cabinet Member for Jobs and Regeneration

31 August 2016

Name of Cabinet Member:

Cabinet Member for Jobs & Regeneration-Councillor J O'Boyle

Director Approving Submission of the report:

Executive Director of Place

Ward(s) affected:

Foleshill

Title:

Livingstone Road – Revised Terms to enable supportive living development by Coventry Warwickshire Mind to proceed before health centre development

Is this a key decision?

No

Executive Summary:

The report seeks approval to revise the terms for approval for the disposal of the former Foleshill Leisure Centre site at Livingstone Road for the future development of a Primary Care Centre and supported social care accommodation.

The Cabinet Member for Business, Enterprise and Employment previously approved on the 24 August 2015 to the terms for disposal to Arden Estates Partnership (AEP) who are the exclusive developer of NHS Primary Care accommodation in Coventry.

AEP introduced Coventry & Warwickshire Mind (CWM) to develop a supportive living facility aimed primarily at mental health on part of the site and the intention was to sell part of the site to CWM. In anticipation of the sale between the Council and AEP, (subject to confirmation of NHS funding) CWM subsequently obtained planning permission for a mental health facility on the site (ref FUL/2016/0007)

Since the previous Cabinet Member decision, AEP are still awaiting approval from the NHS to proceed with the development despite obtaining planning permission for the development on the site as a health centre (Ref FUL/2016/0006)

Due to the on-going delay with AEP obtaining NHS approval for funding, CWM are at risk of losing funding for the supportive living facility which will serve the residents of Coventry.

To ensure that development of this site is progressed and the City does not lose a supported mental health facility, CWM have proposed that the Council disposes of the freehold of the site to them. CWM will thereafter commence the development of their part of the site and facility and once AEP have secured NHS approval for the health facility, AEP will acquire their part of the site direct from CWM.

CWM will acquire the site from the Council at the previously agreed price to AEP and is in accordance with Section 123 of the Local Government Act 1972

Recommendations:

The Cabinet Member for Jobs & Regeneration is recommended to approve

1. The revised terms to dispose of the former Foleshill Leisure Centre to Coventry Warwickshire Mind as detailed in the private report relating to the item in the agenda.
2. Delegate authority to Resources Directorate (namely Legal Services) to prepare the agreed freehold transfer to CWM on the basis of the agreed terms and collect the payment of the agreed purchase price.
3. Delegate authority to the Executive Director of Place and the Executive Director of Resources as appropriate following consultation with Cabinet Member for Jobs and Regeneration to agree any variations or new requirements that are deemed necessary to give effect to the above proposals

List of Appendices included:

Site Plan

Other useful background papers:

- Cabinet Member Report – Business, Enterprise and Employment 24 August 2015
Livingstone Road –Terms of disposal
- Cabinet Member Report – Business, Enterprise and Employment, 1st December 2014
Livingstone Road – Authority to Negotiate
- Cabinet Report 5 March 2013 –Public Leisure Facility Re-provisioning for the North East of Coventry
- Planning Approval – Reference FUL/2016/0006 Erection of new purpose built GP surgery and associated pharmacy with vehicular access and parking
- Planning Approval – Reference FUL/2016/0007 Erection of two storey building to provide supported living accommodation including 14 bedrooms and associated communal and are facilities

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: *Livingstone Road – Revised Terms to enable supportive living development by Coventry Warwickshire Mind to proceed before health centre development*

1. Context (or background)

- 1.1 The Council has previously recognised the need to provide improved health facilities in the Foleshill area as a priority. The availability of the Livingstone Road site, following the re-provision of the former swimming pool at the AT7 Centre released an opportunity within the locality to develop a health centre on the site.
- 1.2 Previous Cabinet & Cabinet Member reports approved the principle, release and authority to negotiate with Arden Estates Partnership (AEP), the NHS exclusive partner who provides primary care accommodation on behalf of the organisation in Coventry.
- 1.3 The previous Cabinet Member for Business, Enterprise and Employment considered a report on 24 August 2015 and approved terms of disposal to AEP for the site conditional on the grant of planning permission and a contractual commitment to provide the health facility. It was acknowledged and recognised in the report for a need to develop a scheme for people with mental health need through a recovery model. From these discussions, Coventry Warwickshire Mind (CWM) was introduced to the site where it was agreed that they would purchase part of the site from AEP.
- 1.4 Since the Cabinet Member approval on 24 August both AEP and CWM have obtained planning permission for their respective schemes, AEP for a new purpose built GP surgery and CWM, a 14 bedroom supported living accommodation. Unfortunately, AEP have yet to secure confirmation of funding from the NHS and from on-going discussions, a decision might not be known until December 2016. CWM have confirmed that they have funding in place to progress their part of the development but are unable to proceed as the previous approval was a disposal to AEP for the whole of the site.
- 1.5 Due to the on-going delay to AEP securing approvals from the NHS, CWM have declared their own funding is at risk and could be withdrawn if there are further delays.
- 1.6 It is recognised that there is genuine need for a mental health facility for adults following discussions with local health and social care commissioners. As there is a number of Coventry residents receiving their care out of the City because of a shortage of available spaces, these placements are more expensive. Relocating these users back to Coventry will be positive as it will lead to financial savings and will allow them to be close to family members.
- 1.7 CWM has proposed that they acquire the site direct from the Council instead of AEP so that they can make an immediate start to their facility. Once AEP secure funding for the health facility, CWM will dispose of part of the site to AEP which has the benefit of planning permission for a GP Surgery.

2. Options considered and recommended proposal

2.1 Dispose of the site to Coventry Warwickshire Mind (CWM)

- 2.2 Despite the granting of planning permission for both the GP Surgery (AEP) and the 14 bedroom supported living accommodation(CWM), NHS funding has not been secured yet by AEP, which was a condition of the disposal. The Council have been informed from

representatives from AEP that funding could be secured by December 2016 however the continued uncertainty puts the CWM's funding at risk.

- 2.3 To ensure that development progresses at the site, it is recommended to now dispose of the site direct to CWM at the previously agreed price. The development of this facility will assist in providing much needed mental health accommodation for the residents of Coventry and should hopefully allow users placed out of the City to be given the opportunity to be relocated closer to home.
- 2.4 The CWM development will be a purpose built unit designed to promote recovery. In addition, there should be financial savings as the cost per person being placed out of the City is more expensive and if relocated back should be cheaper per unit cost.
- 2.5 CWM has confirmed that they will enter into a separate legal agreement with AEP in respect of that part of the site allocated for the purposes of the GP Surgery as per the agreed planning approval (ref FUL/2016/0006). To protect this allocation, the Council will seek a covenant from CWM and also investigate implementing the use of a restrictive covenant to guarantee the use on the land, while AEP continue to secure funding.

2.6 Continue with disposal to AEP

- 2.7 Since Cabinet Member approval last August 2015 to dispose of the site to AEP, one of the primary conditions to the sale was to obtain NHS approval for funding. This has been a long process, partly because of NHS reorganisation and new capital allocation processes. The current indications are that full business case approval for the new GP surgery is expected by the end of 2016.
- 2.8 The overall project is at risk due to the dependency on the NHS funding. If the Council and CWM continue to wait for confirmation of NHS funding there are concerns that the City will lose the opportunity to secure the mental health supported living accommodation as CWM will lose their funding for the project if there is any further delay.

2.9 Recommendation

- 2.10 Due to the continued uncertainty regarding AEP's ability to secure approval for NHS funding for the GP surgery, there is risk that the CWM unit will not progress as their funding could be withdrawn. It is therefore recommended that the Council now disposes of the former Livingstone Road Baths site direct to CWM at the previously agreed price.

3. Results of consultation undertaken

- 3.1 The proposal for development has been in the public domain since the Cabinet report on 5 March 2013 concerning the re provision of the former swimming baths at the AT7 centre and the previous Cabinet Member reports in December 2014 and August 2015.
- 3.2 The development proposals for the GP Surgery and the 14 bedroom supported living accommodation were approved by the Councils Planning Department on the 14th April and 18th May 2016 respectively. As part of the planning process, the applicants, AEP & CWM would have had to consult with local stakeholders regarding the development proposals.

4. Timetable for implementing this decision

- 4.1 If approved, an unconditional contract for sale will be drafted to CWM to dispose of the site of the former Livingstone Road Baths and completion would be expected before the end of September to enable them to commence construction of their project.

5. Comments from Executive Director of Resources

5.1 Financial implications

As per the previous Cabinet Member report dated 24 August 2015, the net receipt after the deduction of demolition costs will contribute towards corporate capital receipt targets.

There is a slight risk AEP fail to secure NHS approval for the development in which case they would not be able to proceed with the GP surgery after CWM have acquired the site. It is proposed to build in flexibility into the disposal with regard to the Health Centre site so that AEP must acquire the GP site within 12 months if NHS funding is secured, or be able to extend the period if funding approval is further delayed, or give CWM the opportunity to consider other supported living opportunities on the GP surgery site if development doesn't proceed. The fall-back position for the Council would be the option to take the GP site and refund that part of the site value and infrastructure costs of the whole. The Council would then be free to continue to hold the site or seek to dispose of it for alternative uses subject to planning.

5.2 Legal implications

- 5.2.1 Officers confirm that the consideration represents the open market value. This meets the Council's obligations to obtain best value under the requirements of Section 123 of the Local Government Act 1972.

- 5.2.2 Legal Services will be instructed to draft, agree and complete an agreement for sale between the parties upon the terms set out in this report and will collect the payment.

- 5.2.3 The transfer documentation will seek to secure a direct covenant from CWM to sell part of the site to AEP and protect this arrangement.

6. Other implications

Any other specific implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The proposal to provide improved health and housing facilities in Foleshill will contribute indirectly to the Council Plan objective of improving the quality of life for Coventry People. Foleshill is the most deprived ward in the City and experiences the most significant level of health inequalities in the City. According to data from Public Health England covering the period from 2008 to 2012, the average life expectancy in Foleshill is 73.7 years for males, and 79.3 years for females.

Men in Foleshill are expected to live 4.4 years less than average for Coventry, 5.5 years less than average for England and 11 years less than people in more affluent areas of Coventry, such as Finham. Women in Foleshill are expected to live 2.8 years less than the average for Coventry, 3.7 years less than the average for England, and 8.6 years less than women in more affluent areas of the city.

The majority of health inequalities occur due to social and economic factors. However, access to good quality health care can help to tackle or prevent inequalities and health services are currently delivered from a number of individual GP practices in the area working from old premises and supported by a range of wider health services at the City Centre Walk in facility and the Health Centre in neighbouring Longford.

6.2 How is risk being managed?

Regular meetings with CWM to understand the timetables for disposal of the site and with AEP on their progression to secure NHS funding will ensure the sale and development proceed accordingly.

6.3 What is the impact on the organisation?

The provision of improved facilities in Foleshill has the support of the Councils Public Health service. However the subsequent disposal and redevelopment of the site means that the site would be unable for future Council service re-provision.

The CWM development would support a partner organisation in the provision of supported mental health accommodation in the City, and support the local health economy by reducing the number of out of city placements.

6.4 Equalities / EIA

The provider of services from the supported living and proposed health facility are not the Council and therefore the Council is not required to undertake an equalities assessment arising from the disposal of the land. The NHS service providers will be expected to conduct their own equalities impact assessment for services affected and moved by the proposed redevelopment, but this will come at a future stage in the process.

6.5 Implications for (or impact on) the environment

There are no impacts on the environment arising from the allocation of the site for redevelopment.

6.6 Implications for partner organisations?

Coventry and Rugby Clinical Commissioning Group and NHS England support the proposal and recognise that Foleshill has been a priority location to improve health facilities.

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