

TELFORD & WREKIN COUNCIL

CABINET – 23RD MARCH 2009

PRIMARY CARE TRUST CAPITAL FUNDING CONTRIBUTIONS TO CAMPUS TELFORD & WREKIN AND MALINSLEE DEVELOPMENT

REPORT OF HEAD OF BSF, RESOURCES AND SOCIAL REGENERATION

1. PURPOSE

- 1.1 The purpose of this report is to seek approval to enter into legal agreements with the Primary Care Trust (PCT) enabling a transfer of capital funds from the PCT to the Council. These funds will contribute towards the delivery of community facilities as part of Campus Telford & Wrekin and furnishing an existing capital scheme under the Malinslee Development with specialist equipment.

2. RECOMMENDATIONS

- 2.1.1 **That delegated authority be given to the Corporate Director for Children and Young People to enter into Section 256 National Health Services (NHS) Act 2006 funding transfer agreements between the Primary Care Trust and the Council to support the Campus Telford & Wrekin and Malinslee Development projects, subject to such terms and conditions recommended by the Head of Legal and Democratic Services.**
- 2.1.2 **Cabinet RECOMMENDS that full Council approves the capital allocations and funding detailed in section 5.7 of this report.**
- 2.1.3 **That authority be given for the Council's seal to be affixed to such agreements as appropriate under article 14.06 of the Council's Constitution.**

3. SUMMARY

- 3.1 In support of the Councils Priority, Campus Telford & Wrekin, the Telford and Wrekin PCT have agreed to contribute two separate capital funds towards consulting rooms and whole life health and fitness suites. In order to transfer these funds to the Council the PCT are required to undertake a Section 256 NHS Act 2006 funding transfer agreement. The Section 256 agreement will impose certain conditions on the Council upon which the funds will be transferred.
- 3.2 The existing capital scheme to regenerate Malinslee includes the provision of PCT facilities located on the Old Park Primary School site.

These facilities need to be furnished with specialist equipment to support children with disabilities.

4. PREVIOUS MINUTES

- 4.1 Cabinet 24/11/2008 – Planning of School Places: Campus Telford & Wrekin
- 4.2 Cabinet 17/12/2007 – Telford Children’s Development Centre – Old Park School Site

5. INFORMATION

5.1 Background

Telford & Wrekin BSF Programme

- 5.1.1 Our Children’s Plan 2008-2011 endorsed by our partners’ through the Children’s Trust identifies Campus Telford & Wrekin as a strategic development priority. As we work towards our Local Strategic Partnership’s (LSP) vision for 2026 – Transforming Telford - the goal is to create a modern city and learning community. In particular our investment will secure our future by “giving children and young people the best possible start in life”. We will do this through strong universal services; creating learning communities across the Borough as part of our Campus Telford & Wrekin Programme; bringing schools, children’s centres, colleges, community facilities and multi disciplinary support services together to remove barriers to learning, raise aspirations and attainment and create integrated facilities for all.
- 5.1.2 The Building Schools for the Future (BSF) programme will act as a major catalyst for regeneration across Telford and Wrekin and provide significant capacity for raising achievement and transforming learning. It is bringing together strategies for children and learners, extended schools, childcare and family support and leisure facilities.
- 5.1.3 The BSF Outline Business Case, agreed by Cabinet on 24th November 2008, detailed our intention to work in partnership with the PCT to provide community facilities and Whole Life Health and Fitness Suites subject to obtaining the necessary approvals from both the Council and the PCT.
- 5.1.4 Telford & Wrekin PCT has since approved capital funding to contribute towards providing these facilities from their 2008/09 financial year grant allocations. £1.8m capital funding has been committed to fully fund consulting rooms at 9 Learning Communities across the Borough. Leisure and Community Services secured a further £1.1m capital funding from the PCT which has been allocated to establishing Whole Life Health and Fitness suites at 4 Learning Communities across the Borough. The concept behind the suites is to incorporate adult gym

provision, Aspirations, with junior gym provision, nRGIZE, encouraging participation of families to get fit and healthy together.

- 5.1.5 In order for capital funds to be transferred between the PCT and the Council both parties must enter into a Section 256 NHS Act 2006 Funding Transfer Agreement. PCT Officers are currently drafting two separate Section 256 agreements, one for each capital sum.

Malinslee Development – PCT Buildings

- 5.1.6 The Council Capital Programme includes the provision of PCT facilities on the Old Park Primary School site, as part of the Malinslee regeneration. The PCT have committed an additional £200k to furnish these facilities with specialist equipment to support children with disabilities. The construction programme is currently managed by the Council and the PCT believe that it would be more effective and efficient for the Council to manage the procurement of this equipment as part of the whole scheme. In order for these funds to be transferred between the two parties a Section 256 Agreement will be required.

5.2 Equality & Diversity

- 5.2.1 An initial Equalities Impact Assessment has been carried out for the BSF programme. The assessment falls under “Option A – no further work required”.

5.3 Environmental Impact

- 5.3.1 BSF schools and learning community will be required to achieve a BREEAM rating of very good. Full details can be found at section 3.3.59 of Telford & Wrekin Council’s BSF Outline Business Case.

5.4 Legal Comment

- 5.4.1 The Primary care Trust is empowered to make payments to the Council towards expenditure on community services pursuant to Section 256 of the National Health Services Act 2006 and subsection (6) provides that the Secretary of State may by direction prescribe conditions relating to payments made under this section.
- 5.4.2 The Capital Grant Agreement under section 256 of the NHS Act 2006 relating to the provision of health related facilities as part of the Building Schools for the Future Project within the Borough of Telford and Wrekin requires the Council to grant to the PCT a Licence to enter and provide health services from the properties for a period of 35 years.
- 5.4.3 The Agreement further provides that PCT will require the Council to enter into a Legal Charge should there be any breach of the terms and conditions of Clause 7.1: Repayment of Grant provisions of this Agreement.

5.5 Links with Corporate Priorities

5.5.1 Our proposals for Campus Telford & Wrekin are a key element in the delivery of each of the six priorities of the Local Strategic Partnership. Further details can be found in Section 1.1.9 of Telford & Wrekin Council's BSF Outline Business Case.

5.6 Opportunities and Risks

5.6.1 Telford & Wrekin has a well embedded risk management process which has actively supported the BSF project from the beginning. The project is monitored at a strategic level and at a project level on the Authority's strategic risk register.

5.6.2 The risk register is reviewed regularly and key risks (residual score of 7 or higher) reported to BSF Project Board. Full details can be found at 5.7 of Telford & Wrekin Council's BSF Outline Business Case.

5.7 Financial Implications

Capital

5.7.1 Included in the Campus Telford & Wrekin affordability assessment was a £1.8m capital commitment from the PCT. The funding is to be used to fund the proposals for consulting rooms included within Learning Communities. An extract from the affordability assessment is summarised below.

	£m
Construction cost for proposed facilities (provided by BSF external technical consultants)	1.8
PCT committed funding	(1.8)
Affordability Gap	0.0

5.7.3 If the recommendation to enter into the Section 256 agreement is not approved the Council is exposed to an additional £1.8m funding shortfall on the Campus Telford and Wrekin Project. Alternatively the project scope will be downsized to remove the consulting rooms from the Learning Communities thus affecting the outcomes attached to the provision.

5.7.4 Based on the concepts of and the aims and objectives for the Whole Life Health and Fitness Suites the PCT have agreed to commit £1.1m additional capital funding to help build or remodel and provide new equipment for existing Council facilities.

- 5.7.5 There will be no financial implications relating to the equipment needs of the PCT facilities at Malinslee. The PCT will transfer £200k capital funding via a Section 256 agreement and under the terms of the agreement the Council will have a responsibility to spend £200k or return to the PCT any unspent grant.

Revenue

- 5.7.6 Whilst there are some existing revenue budgets currently in place, the impact on these budgets will not be known until the completion of the ongoing review of Facilities Management, as part of the BSF Programme. The outcomes from this review, along with the funding methodologies, will be incorporated in to the BSF Final Business Case at Financial Close.

6. WARD IMPLICATIONS

- 6.1 All wards across the Council are affected by these proposals.

7. BACKGROUND PAPERS

- 7.1 NHS Act 2006.
Planning of School Places: Campus Telford & Wrekin report to Cabinet 24th November 2008.
Telford & Wrekin Council Building Schools for the Future Outline Business Case.
Telford Children's Development Centre – Old Park School Site report to Cabinet 17th December 2007.
Draft Capital Grant Agreement under Section 256 of the NHS Act 2006 relating to the provision of health related facilities as part of the Building Schools for the Future Project within the Borough of Telford and Wrekin.

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