

Individual Cabinet Member Decision

Heysham Mossgate Community Facilities 04 February 2009

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT				
To seek an urgent business decision on whether the City Council wishes to accept Accountable Body status for a capital bid proposal being made to Sport England and the Football Foundation by Heysham Mossgate Community Facilities Company Limited.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>	Referral from Cabinet Member
Date Included in Forward Plan				<input checked="" type="checkbox"/>
This report is public				

RECOMMENDATIONS OF OFFICER:

That Accountable Body status should not be accepted by the Council at this time, given that there is insufficient information available at this time to support such an acceptance.

That the Board of HMCFLtd should be informed of this, and advised to explore the possibility of another partner being Accountable body for the funds.

1.0 Introduction

- 1.1 The provision of a community Facilities scheme at Heysham Mossgate has been the subject of previous reports to Cabinet. A summary of the project background is included in Appendix A.
- 1.2 In July 2008, the newly formed North Lancashire Primary Care Trust (PCT) approached the Heysham Mossgate Community Facilities Company Limited [HMCFLtd] to provide a new polyclinic, as part of a NHS initiative to provide additional GP practices in key locations, through the "Equitable Access Programme". Within the above, Heysham has been identified by the NHS as being under-resourced in terms of GP practices.
- 1.3 The process of taking forward the "Equitable Access Programme" is being undertaken jointly by the North Lancashire PCT and the NHS, using a fast-track approach, whereby the PCT undertakes a commissioning role in both the provision of premises and thereafter the GP services. Initial discussions indicate that the facility

will comprise a 4 GP practice and significant dental services, with the whole service operating on extended hours.

- 1.4 Officer discussions took place at that time as the provision of the Heysham Health Centre project gave the opportunity to build a sports hall provision, alongside the centre, using funds had by HMCFLtd, and in July 2008, the HMCFLtd Board requested that officers submit a report to Cabinet, setting out the options for the future management of the proposed sports facilities.
- 1.5 Such a scheme would allow HMCFLtd to achieve their wider community aspirations of providing joint health and sports facilities, which was part of their original 2006 scheme.

2.0 Issues

- 2.1 In order to provide for capital funding to deliver the revised PCT scheme, City Council officers have been requested by the HMCFLtd Board to submit a report to Cabinet setting out options for future management. The Board also requested that officers pursued funding options via a formal capital bid to Sport England and the Football Foundation. In order to do this, the funders will require for one of the partners, e.g. PCT, Lancashire County Council, or Lancaster City Council, to take on the "Accountable Body" role for this funding.
- 2.2 In deciding whether to take on this role, Members need to be confident that the following requirements can be met:

Accountable body role

The Accountable body takes responsibility for the legal and financial management of the grant disbursed to the project and for ensuring the delivery of agreed benefits and outputs to the quality required. As the organisation receiving the funding, the Accountable body is therefore responsible for:-

- Putting in place appropriate financial management, project appraisal, monitoring and evaluation processes.
- Ensuring that a full appraisal and risk assessment is undertaken and recommendations are considered in line with appropriate decision making procedures.
- Advising on eligibility, quality requirements, performance and risk at all stages.
- The setting up and recording of an audit trail.
- Taking an overview of contract management arrangements with suppliers.
- Ensuring that the project has sufficient grant cashflow to operate.
- Reporting progress, outputs and expenditure to the grant funding body.
- Establishing and maintaining an inventory of assets.
- The recovery of any ineligible or unused grant from the project and repayment of this to the grant funder.

Failure to clearly demonstrate that the above requirements are met in full places the Accountable body at risk of clawback or non-payment of all grant.

- 2.3 Following discussion with the City Council's Section 151 Officer, Head of Cultural Services and Head of Property Services, it is clear that, at the present moment in time, insufficient information is available to the Corporate Director (Regeneration) to formally put forward a recommendation for Members to consider Accountable body status. The bid to the funders needs to be submitted by 6 February 2009, and will

need Cabinet approval to take on the “Accountable Body” role. However, before Members can consider such a proposal, the following issues need to be resolved:

- 2.3.1 What is the agreed “Business Plan” for the scheme, and what future requirements are there regarding the “sustainability” of the project? Will the project have sufficient grant cashflow to operate?

At present the revenue costs associated with the sports facilities included in the above development will be for the HMCFLtd Board to consider and determine, although it would become an issue for the City Council, in considering whether to take on the role of Accountable body. There are a number of options for the Heysham Mossgate Community Facilities Company Ltd [HMCFLtd] to consider, ranging from:-

- themselves becoming the direct management/operators of the facility, via a Community Board or Trust arrangement
- or
- seeking a third-party (private or public sector) to manage and operate the facility on behalf of the Board of HMCFLtd.
- or
- make a future request to the City Council to take on responsibility, including revenue liability, for the management and operation of the facility with effect from 2010/2011 onwards.

Unfortunately, to take on Accountable body status will require for the above issues to be addressed. If the City Council is asked to take on such revenue liabilities, then a further Cabinet resolution will be needed.

- 2.3.2 If the PCT have “fast-tracked” its programme and selected developer partners, is this procurement route considered acceptable by the funders, and the City Council?
- 2.3.3 It is currently unclear what the VAT implications would be for the City Council in taking on any possible partnership agreement.
- 2.3.4 It is currently unclear what the partnership agreement would be between the PCT and Lancaster City Council in delivering this project, and no draft agreement or Heads of Terms are currently in place.
- 2.3.5 The City Council currently has ownership of the land required to access any proposed PCT/Leisure facility (see Appendix A, cross-hatched area). No agreement, or Heads of Terms are in place to advise how such a possible land transaction would affect the Business Plan for the scheme.

- 2.4 Considering all the above issues, it is clear that there is insufficient information available for Members to consider agreeing to “Accountable body status”, and as it is impossible to have the issues clarified in the timescales being set, officers cannot provide a recommendation to proceed with Accountable body status.

3.0 Options

3.1 Option 1

The only option available is to take the view that due to timescales being set by the funders, there is insufficient information available at the present time, to recommend that the Council take on the Accountable body role for this project.

The Board of HMCFCLtd should be informed of this, and advised to explore the possibility of another partner being Accountable body for the funds.

4.0 Officer Preferred Option

4.1 The officer preferred option is Option 1.

5.0 Conclusion

5.1 Since the scheme was resurrected by the newly formed North Lancashire PCT in July 2008, officers have been working alongside the HMCFCLtd. Board to try and produce a development scheme that would bring the appropriate benefits to both the PCT and the Board.

Unfortunately, due to the timescales set by the external funders, it has not been possible to draw together sufficient information to enable a decision to be taken to agree to the Council being Accountable body for the new-build scheme.

RELATIONSHIP TO POLICY FRAMEWORK

The proposal to develop Community Facilities as planned at Heysham Mossgate would see public agencies working together to provide top quality joined up services from one location. This proposal is at the heart of the Community Strategy and aims to improve community safety, leisure and health facilities within the Heysham area. This would contribute to meeting a number of targets included in the Corporate Plan/LAA.

The City Council, however, is currently reviewing its existing sports provision as part of the current budgetary process.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

The proposal would help to ensure that a sustainable state of the art Health and Leisure Centre could be developed within the Heysham area. The proposals are in accord with the views expressed in two prior public consultations. A further public consultation would be undertaken as part of planning process.

FINANCIAL IMPLICATIONS

There are no financial implications directly arising for the Council in terms of the option put forward.

SECTION 151 OFFICER'S COMMENTS

In taking on the accountable body role and supporting such a project, it is essential that the issues outlined above are addressed; these requirements are reflected within the Council's Financial Regulations. For these reasons, the s151 Officer advises against taking on the accountable role for this project, and she is in full support of the Officer recommendations.

LEGAL IMPLICATIONS

There are no legal implications directly arising from this report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Contact Officer: Heather McManus
Telephone: 01524 582301
E-mail: hmcmanus@lancaster.gov.uk
Ref: CD(Reg)/DP/CAR/06