

CITY OF
WOLVERHAMPTON
COUNCIL

Council Meeting

Wednesday, 19 July 2023

Dear Councillor

COUNCIL - WEDNESDAY, 19TH JULY, 2023

Enclose, for consideration at Wednesday, 19th July, 2023 meeting of the Council, is an updated public version of the 12 July 2023 Cabinet report, Bilston Asset and Transformation Programme - Bilston Health and Wellbeing Facility referred to at agenda item 5 on the Council agenda.

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet 12 July 2023
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Report title	Bilston Asset Transformation Programme - Bilston Health and Wellbeing Facility	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Paula Brookfield Governance and Equalities	
Key decision	Yes	
In forward plan	Yes	
Wards affected	Bilston	
Accountable Director	Mark Taylor, Deputy Chief Executive	
Originating service	City Assets	
Accountable employee	Julia Nock Tel Email	Deputy Director of Assets 01902 550316 Julia.nock@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board City Assets Leadership Team Resident Services Leadership Team Regeneration Leadership Team Public Health Leadership Team Families Joint Leadership Team Full Council	6 June 2023 7 June 2023 13 June 2023 19 June 2023 20 June 2023 29 June 2023 19 July 2023

Recommendations for decision:

The Cabinet recommends that the Council approves:

1. The Bilston Health and Wellbeing Facility project and appropriate capital budgets funded through grant and prudential borrowing as detailed within the report.

The Cabinet is recommended to:

1. Approve the development by the Council of a modern health and wellbeing facility at the proposed site on Council owned land, carryout improvements to the Bert Williams Leisure Centre and public realm works.
2. Delegate authority to the Cabinet Member for Equalities and Governance and Cabinet Member for Resources and Digital, in consultation with the Deputy Chief Executive, Chief Operating Officer and Director of Finance to agree and enter into the required construction contracts, leases, funding agreements and other ancillary agreements, for the respective project.

3. Authorise the Chief Operating Officer to negotiate, execute, seal and complete all necessary documents to give effect to the above recommendations.
4. Approve supplementary capital budgets, funded by grant, for the Bilston Market redevelopment and Bilston Public Realm improvement scheme.

Recommendation for noting:

The Cabinet is asked to note:

1. The letter of support from the Black Country Integrated Care Board (ICB) for the proposed scheme (See Appendix 1).

1.0 Purpose

- 1.1 The report discusses the need and provision of a modern integrated health and wellbeing campus in Bilston. The proposal is to provide a new fit for purpose building to meet future proofed Council services, healthcare and community needs and asset improvements to the existing Bert Williams Leisure Centre and associated public realm. This project forms part of the wider Bilston Asset Transformation Programme and accords with the Council's Strategic Asset Plan to optimise, rationalise and consolidate council assets to release Brownfield sites for the provision of housing and community facilities.
- 1.2 This report also requests approval of the required budgets for the additional Bilston Market redevelopment project funding and Bilston Public Realm Improvement scheme. These projects were presented to the Cabinet (Resources) Panel on 14 December 2022 in the Levelling Up Fund Round 2 Bids Update report.

2.0 Background

- 2.1 The Council has developed a Corporate Plan "Our City: Our Plan", which sets out how it will deliver better outcomes for residents and businesses across Wolverhampton and is the corner stone of the transformational plans developed by the Council. The plan amongst other priorities includes focus towards;
- Strong families where children grow up well and achieve their full potential
 - Fulfilled lives for all with quality care for those that need it
 - Healthy, inclusive communities
 - More local people into good jobs and training
- 2.2 City Assets seek to support the plan by rationalising, optimising and consolidating assets to reduce operational costs, create efficiencies and unlock sites for the community and housing development, by working with key stakeholders. The Strategic Asset Plan sets out the asset management framework and this includes the action plan identifying our programme of work. Some of these key actions and objectives include;
- Public service reform - Promoting joint working where it will provide benefit for service delivery and in securing efficiencies
 - Service leadership teams engagement – Planning and managing property effectively, efficiently and sustainably, together with optimising financial return and commercial opportunities
 - Supporting Wolverhampton Homes in the rationalisation of its portfolio and review of community facilities – Providing the right property, fit for purpose, in the right place, to meet current service needs and plans for the future

- 2.3 On 25 April 2017 Cabinet (Resources) Panel approval was obtained to purchase the site for use as a joint health and social care facility and/or other uses compatible with the Council's aims and objectives for the urban village. Section 10.4 refers to this document.
- 2.4 The Bilston Asset Transformation Programme has been subsequently developed to address these interests and needs and over the past twelve months has been active in implementing related projects. The attached plan refers to the sites attributed to this programme and highlights the site discussed in this paper (See Appendix 2 - site location plan). The programme activity which relates to housing development at Loxdale and Stowheath was presented within an earlier Cabinet paper (22 March 2023 – One Public Estate – Asset Transformation Programme) and has received approval to proceed, subject to meeting funding and other related conditions.
- 2.5 Given the priority status of a new health and wellbeing facility in the Bilston area of Wolverhampton, a feasibility exercise was undertaken. With funding from the Opportunity for Development Fund (ODF), which is part of the One Public Estate (OPE) initiative, it was agreed that the Council and Wolverhampton ICB, would jointly provide initial project resource to complete a feasibility study and work with interested parties to undertake early design work and accommodation scheduling.
- 2.6 This project from the early feasibility stages has received continued support from both primary and community health and social care providers. These include the Black Country Integrated Care Board (ICB), local General Practitioners (GP), Council Family Hub teams including adults and children's services and public health, Black Country Health NHS Foundation Trust (BCH), Royal Wolverhampton NHS Trust (RWT), and Wolverhampton Homes.
- 2.7 The Cabinet (Resources) Panel approved on 14 December 2022 received approval to enter into a Memorandum of Understanding with Department for Levelling Up, Housing and Communities (DLHUC), subject to final terms (See section 10.2).
- 2.8 The scheme will also help create new jobs, add to our portfolio of low carbon buildings and attract an opportunity for rental income from GP's and tenants to support the project in the long term. The paper seeks approval to progress the capital project but not until obtaining outline planning consent, securing the entire funding, achieving cost certainty from market tenders and securing leases with health care tenants. These conditions will protect the Council by reducing the financial exposure until cost certainty, rental income and project funding are secured.
- 2.9 The project proposals have been developed considering two key requirements for the city and rely upon each other for their successful delivery and achievement of the necessary outputs and outcomes.

A Modern and integrated project with Council Services and Health and Wellbeing Facility

- 2.10 The City of Wolverhampton has high levels of poverty and deprivation with a much higher proportion of the population (55%) living within the poorest 20 percentile range as nationally defined. In addition, significant health inequalities exist across the city. There is a considerable gap in life expectancy across different ward areas of the city for both males and females.
- 2.11 The health status of the population places significant pressure on both commissioners and providers of health and social care services. In responding to these pressures, there has been a strong track record of collaborative working across health and local authority organisations, including the wider Black Country and West Birmingham Partnership Sustainability and Transformation Plan (STP) covering 1.4 million people.
- 2.12 The ambition is to develop, attract, and retain high quality staff and support them to stay healthy and well throughout their working lives. Health and social care is the second biggest sector for employment in the City of Wolverhampton, providing around 15,000 jobs. Health and social care organisations are increasingly seeing more people with multiple long-term conditions and social care needs, and the workforce has been evolving to meet these changing needs.
- 2.13 The Wolverhampton health and social care economy faces significant challenges to service a population of 280,000 with relatively high levels of deprivation and growing numbers of people living with multiple Long-Term Conditions putting additional strain on primary care. The local NHS and City of Wolverhampton Council (CWC) are addressing these challenges through a partnership approach with health and social care partners across the Black Country.
- 2.14 The Council delivers a significant amount of its care to customers in their homes. Additionally, services to the local communities are delivered at a range of community sites. The Council also provide services in partnership with other organisations and through other venues, for example; GP surgeries, schools, children's and family centres, independent sector nursing and registered care homes. The Council's vision for the health and wellbeing of its residents is to:
- Help people live longer, healthier and more active lives
 - Offer every child the best start in life
 - Close the gap in healthy life expectancy both within the city and between Wolverhampton and the England average.
 - Ensure everyone is protected from harm, serious incidents and avoidable health threats.
- 2.15 There is a requirement for a new health wellbeing facility and this is entirely consistent with the key themes of the Sustainability and Transformation Partnership (STP) Estates Strategy, the 'One Public Estate' initiative and the latest published 'Commissioning Intentions' report of both the ICB and the Council. The new ICS estates strategy and ICB

place strategy are currently being developed. The need for a premises solution for the Bilston area was clearly identified in the Estates Strategy, specifically committing to assessing the feasibility of a new facility in the Bilston area of Wolverhampton. This requirement with the need to relocate other council health related services and surrender leases offering savings, created an opportunity for integrated services.

- 2.16 There is a significant issue regarding the suitability and condition of the existing estate, particularly relating to the delivery of primary care. The Red rating is indicative of facilities which are operating with significant shortfalls in two or more of (i) lack of capacity and/ or (ii) poor quality and/or (iii) poor security of tenure. Some building fall well below the expectations required under the Carter Report in terms of ratio's between clinical delivery and administration space. Future clinical services relying more on multi-disciplinary working and flexibility of room spaces to ensure efficient usage. This requires a greater co-location and integration of clinical teams and disciplines, to enable a more integrated service offer based on patient need.
- 2.17 In addition to the need identified by the ICB, during 2020/2021 the NHS made a commitment to become carbon net zero, setting ambitious targets to achieve this by 2040 for emissions under NHS direct control and 2045 for the "Carbon Footprint Plus" measure which includes the wider supply chain. This supports the Council's intentions and development of its assets to also become net carbon zero.

Rationalising, consolidating and optimising Council assets with a collaborative approach

- 2.18 The One Public Estate is an established national programme delivered in partnership by the Office of Government Property (OGP) within the Cabinet Office and the Local Government Association (LGA). It seeks councils to deliver ambitious property-focused programmes in collaboration with central government and other public sector partners rationalising, consolidating and optimising its services to get more from collective assets. This maybe from transformation such as health and social care integration and benefits reform; unlocking land for new homes and commercial space; or creating new opportunities to save on running costs reducing our carbon footprint or generating income.
- 2.19 As the public sector responds to the impact of COVID-19, Local Authorities are considering their role in economic recovery. The pandemic has also led the public sector to consider future models of service delivery, to make use of digital technology and flexible working across sectors. Working in partnership will result in greater opportunities for collaboration through shared spaces, joined up services and released surplus assets – which in turn will promote lower carbon solutions and new economic activity.

3.0 Project progress and proposals

3.1 To progress the early stages of the project and understand the challenges and opportunities, activities have been undertaken to help develop a way forward and reach a position where alternative options can also be presented for discussion (see section 4.0). Specific progress has been made within the last 12 months with:

1. Preparation of design up to Royal Institute of British Architects (RIBA) stage 3 and a construction cost estimate
2. Condition survey and costing for improvements to the Bert Williams Leisure Centre building and car park
3. Due diligence on the site to identify any constraints and site abnormalities
4. Collaborative working with stakeholders and the project team representing Black Country NHS Integrated Commissioning Board (ICB), local General Practitioners (GP), Council Family Hub teams including adults and children's services and public health, Black Country Health NHS Foundation Trust (BCH), Royal Wolverhampton NHS Trust (RWT) and Wolverhampton Homes to develop site layouts and floor plans
5. Development of the Strategic Outline Case (OBC) offering an understanding of the management, commercial, economic, financial and strategic case and risks for the Bilston Health and Wellbeing Facility. This identified the preferred option adjacent to the Bert Williams leisure centre
6. Subsidy Control advice to ensure the scheme model is compliant with relevant rules and regulations
7. Award of grant funding towards capital costs from DLUHC
8. Pre application discussions with the Local Planning Authority planning officer
9. Multiple stakeholder and community consultations

3.2 The proposal is a locally led programme, bringing multiple public sector partners together, to:

- Help reduce Council service running costs, and co-relocation of services including Family strengthening Hub from the Bilston markets to the new facility
- Assist with rationalisation, consolidation and modernisation of assets.
- Develop a net zero carbon project
- Create construction jobs, apprenticeships, help upskill the work force with H&S training and vocational qualifications, deliver local economic growth, offer social value
- Give access to health care and quality accommodation to improve the lives of the local people
- Help with levelling up for much needed services in Bilston and support the economic recovery

3.3 The project will also play a key role towards the city's recovery from the COVID-19 impact in years to come and act as an opportunity to reduce the Council's Carbon footprint, provide key worker housing and will directly link to the Council's 'Relight Our City campaign'. Also the proposals are consistent with, and complement, the 'New Horizons - Our Vision for the City of Wolverhampton in 2030' – a strategic blueprint commissioned by the council and developed in close collaboration with key partners.

The two key criteria the project would achieve are set out below:

One - A modern and integrated health and wellbeing facility

3.4 The Council and ICB understands that the Bilston Health and Wellbeing Facility project is an inherently complex undertaking. The project is expected to address multiple community-based health and social care service delivery issues which have been identified, recognised and acknowledged through multiple internal, external and independent analyses.

3.5 The stakeholders include:

- Black Country NHS Integrated Commissioning Board (ICB),
- Health & Beyond GP's (Bilston Urban Village, Ettingshall and Carelone medical centres)
- Black Country Health NHS Foundation Trust (BCH)
- Council Family Hub teams including adults and children's services and public health
- Wolverhampton Homes
- Compton Care (Palliative Care Charity) outreach team

3.6 The stakeholders have worked collaboratively with the project team to develop the clinical service model, schedules of accommodation and initial design layout options. Design development workshops, interviews, meetings and Council member updates have been held to progress initial concepts into more detailed layouts and plans, seeking to offer:

- improved council health and family services with integrated general medical services
- more integrated working between primary care, community services, social care and secondary care providers
- accommodation for Bilston Urban Village, Ettingshall and Carelone medical centres local GP practices and a base for BCH teams as per their draft estate strategy requirements.
- clinical space and touchdown space in a primary care setting for all Wolverhampton based mental health and learning disability services.

- Support to the ICB Long Term Plan (LTP) by allowing a wide range of services both health, social care and potentially leisure to be delivered from one integrated central facility for the population

3.7 As next steps, it is planned to agree the accommodation schedule and layouts with stakeholders and then submit an outline planning application. A letter of support from the ICB for the progress to date and work ahead has been included at Appendix 1.

Two - Rationalising, consolidating and optimising Council assets with a collaborative approach

3.8 Consultation with a selected number of the Council service teams identified that there are services operating from council assets in standalone and/or remote facilities. The geographical location and condition of the asset is having a negative impact on service delivery and/or loss in opportunity to increase efficiencies. Table 1 below summarises the findings and benefits the Asset Transformation Programme could achieve if the services were placed in a central location. These findings are strongly supported by the Council's City Assets team.

Service	Current Challenge	Centralised location benefits
Family Services	Young demographic in Bilston, driven by the 2020 baby boom, is starting to put pressure on family and children's services	Confidential consultation space for individuals / families. Larger open space for group learning activities and workshops. Kitchen space to teach cooking skills, with adjustable worktop heights.
Adult Services	Assist in finding users employment thereby helping them out of adult social care.	Offering a facility to discuss employment opportunities, attract and introduce new potential Employers.
Children Services	Currently focused on providing users advice and support in dealing with fallout from the cost-of-living crisis.	The project will provide a base for delivering early-intervention with financial wellbeing and tackling wellbeing.
Public Health	Stigma and lack of anonymity with existing city centre facility	The project will bring the opportunity to infiltrate the local community, identify alcoholism and provide localised specialist treatment and help with recovery.

Table 1 – Service integration benefits at Bilston Health & Wellbeing Facility

Scheme financial viability

- 3.9 Grant funding and contributions are to form part of the project. The team shall continue to seek additional opportunities to source grant funding and reduce the requirement for Council prudential borrowing, where possible and in particular from the ICB. The team shall be making contact with the ICB and West Midlands Combined Authority (WMCA) to understand any funding initiatives that will support the project but this is at early stages and no financial allocation has been confirmed.
- 3.10 To maintain a strong and disciplined control on project costs and programme, in addition to the provision of internal resources an external team of professional consultants will be appointed to lead the project after obtaining planning consent and for monitoring purposes. This will offer assurance during the development stages of the project and robust contract management during the delivery stage.

Delivery Timescales

- 3.11 The following are key forecast milestones to help understand the roadmap to delivering the overall project based on the preferred option evaluated in section 4.0:

Cabinet approval	July 2023
Planning consent approval	October 2023
Release of Tenders	June 2024
Start Construction works	November 2024
Construction completion	April 2026

Proposal Conditions and Consideration

- 3.12 To reduce the capital financial risk to the Council and funders, the following activities are proposed as conditions, prior to any construction contract award, although expenditure related with implementing RIBA stage 4 design will commence upon approval of this paper.
1. Outline planning consent is obtained for the development
 2. Secure funding contribution from ICB
 3. Cost certainty is achieved with market tendering for the construction
 4. Pre-lets to Health & Beyond GP's, Black Country Health NHS Foundation Trust (BCH), Wolverhampton Homes and a Pharmacy operator, all with long term leases

- 3.13 The following are advantages and disadvantages identified to understand the benefits, challenges, risks and likely issues, whilst trying to unlock the Council asset.

Advantages

- Forms part of the wider transformational initiative to increase local prosperity, improve social mobility and bolster pride of place in Bilston Town Centre.

- Provide improved public realm and connectivity to Bilston Town Centre to the North and to the Nature reserve facing south.
- Securing the future of high-quality primary care in Bilston area for the existing population and provide capacity to respond to future growth in demand, particularly accelerated with planned residential development at the former Loxdale Primary School and former Stowheath Adult Training Centre sites.
- The Council would hold the building as an occupied asset upon completion.
- Any developer management fee and profit will be avoided as the project is delivered by the Council, reducing the delivery cost and borrowing charges.
- The design quality and control would be maintained by the Council to deliver a sustainable and net carbon zero asset.
- Any adaptations to the proposed design could be easily considered at cost should end user space requirements change.
- Avoid an alternative use being proposed over a much needed community facility.
- An integrated space solution between a new build proposal and the existing Bert Williams leisure centre.
- Provision of healthcare with growing population.
- Release of space currently occupied by Strengthening Families team at the Bilston Markets to allow the site to be developed for the new Markets.

Disadvantages

- Some council capital investment required to bridge funding gap.
- Increased asset management requirements.
- Increased vehicle activity to the site.
- Any letting voids within the health facility would impact gross income.

4.0 Evaluation of alternative options

4.1 In addition to the proposal there are alternative options explored to seek beneficial use of the sites and opportunities to unlock the council asset. Whilst evaluating the options and determining the preferred option in the outline business case, it was imperative to ensure good value for money, maximising outputs from the asset with job creation, remediation of brownfield land and addressing community needs with the provision of modern health facilities are accomplished.

Option 1: Do the minimum – No new health facility is developed. The Bilston

Urban Village Medical Centre remains as is with unknown future development proposals. No improvements to the Bert Williams Leisure Centre.

Advantages

- No additional capital expenditure or borrowing is required

Disadvantages

- Maintains fragmented service provision across a range of buildings
- Does not support integration of services.
- Does not support an OPE approach to health social care and wellness
- The opportunity to offer other beneficial uses to the Bilston community which cannot be provided locally, is deferred indefinitely
- Patient demand on services continues to grow with no evident solution in the near future for the NHS and/or Council services
- Membership growth at the leisure facility are restricted

4.2 **Option 2: Freehold disposal of the assets** – This option would result in the Bilston health site, being auctioned to the highest bidders.

Advantages

- The sale of the site would generate income for the Council.
- The transfer in ownership would allow the private sector to invest in the area, but unknown future uses and development timings.

Disadvantages

- Maintains fragmented service provision across a range of buildings.
- Does not support integration of services.
- Does not support an OPE approach to health social care and wellness.
- would be contrary to the stated reasons for the Council's acquisition of the site. "Ownership of the land (safeguards) the potential use of the site as a joint health and social care facility" (Individual Executive Decision Notice (IEDN) agreeing final terms for the acquisition dated 17.10.2017).
- No control to the type of development, quality and use can, other than those permitted under planning policy.
- It is likely the communities need for a health facility with such accelerated activity would not be provided and/or consideration of extensive Council services.
- The growing need and search for land to develop a modern health facility and would remain with the Council and its public sector health partners.

4.3 **Option 3: Develop a residential scheme** – This option would result in an apartment type development.

Advantages

- New homes for key workers and young families in a suitable central location

Disadvantages

- The development would shadow the existing temporary medical centre
- Increase in the local population with no health care facilities
- High abnormal costs due to ground conditions and site topography would leave the scheme unviable
- Loss of DLUHC and ICB funding due to change in proposals
- Inconsistent with established planning policy – the Bilston Urban Village Supplementary Planning Document identifies the site primarily for community/health uses

5.0 Reasons for decision

5.1 Based on the proposal and alternative options, the recommendation for Cabinet is to pursue the proposals as outlined in section 3.0, which would offer a proposal of works for Bilston with a modern health facility. Without public intervention, provision of land and funding the opportunity to develop a prominent site in the heart of the Bilston community and close proximity to the city's transport links, is unlikely to progress and will continue to be stalled, due to the funding issues.

5.2 This strategic outline case and other discussions have demonstrated that:

- There is a strong, clinically driven case for change supported by a strong estate's argument for the reconfiguration of community services.
- The development will allow the Council and ICB to implement its service plans, model of care and actively promote integrated working.
- The proposed development represents value for money to the Council and the NHS.
- The proposed development allows the Council and ICB to provide improved services in a financially sustainable manner and provides good opportunities for additional revenue streams.
- The project has been designed to be flexible to any foreseen and unforeseen changes in demand, making it fit for purpose not just now but well into the future.

5.3 The advantages and disadvantages of the alternative options considered are detailed above. Option 1 is difficult to pursue and will be seen as 'lack of activity' by the Council. Option 2 is not advised unless alternative sites are made available for a health facility in Bilston, which currently is not possible based on property and land searches. Finally, option 3 to develop a residential complex only, will result in the lost opportunity to attract grant funding.

6.0 Financial implications

6.1 At this point total project budget for Bilston Health and Wellbeing programme, including public realm and associated works is estimated at £20.9 million. This budget includes all construction works, professional fees and a robust contingency which has been allowed for in the development costs estimate to cover risk of inflation, design risk and BREXIT related matters. The project will be funded as detailed in the table below.

Funding Strategy	£000
DLUHC Capital Regeneration Project – Health Facility	16,300
DLUHC Capital Regeneration Project – Public Realm	539
External funding	16,839
Council borrowing	4,013
Total project estimated cost	20,852

6.2 The success in securing the grant from DLUHC as detailed above has reduced the financial risk of the project to the Council. As mentioned in paragraph 3.11, discussions are ongoing with both the ICB and WMCA for contributions towards the scheme, which will be used to reduce the prudential borrowing requirement.

6.3 The estimated annual cost to the Council of the required borrowing of £4.0 million to fund the project is estimated between £281,000 and £295,000 depending on the interest rates, over a period of 25 years. The business case for this project; is that the rental income will be used to offset the costs of borrowing.

6.4 To demonstrate the impact and associated risk of movement in interest rates the costs of borrowing as detailed in the report have been calculated using a range of interest rate of 5.0% - 5.5%.

6.5 Lease terms are currently under discussion and agreement with proposed tenants of the property. Consideration has been given to inflation, term of lease, possible void periods and a required service charge.

6.6 It should be noted there are financial risks associated with the project; these will be monitored as the project progresses:

- a. Construction cost overrun. This is to be managed with a fully designed project and guaranteed maximum price offers from the market, the budget also includes a robust contingency.
- b. Potential void letting periods, this risk is mitigated through the covenant strength associated with a GP practice as occupants, longer lease terms and ICB's support and requirements for GPs in the Bilston ward.
- c. A reduction in the project cost could result in a reduction in the DLUHC grant funding. This risk is viewed as low, and it must be noted the outputs proposed for the project have increased. It is the Council's responsibility to notify DLUHC of any proposed changes by submitting a project adjustment request, which will be required for the project. Failure to follow appropriate procedures may put grant funding at risk.

- 6.7 Paragraph 1.2 references the allocation of £3.2 million of DLUHC grant funding for additional Bilston Market redevelopment project funding and the Bilston Public Realm Improvement scheme. Both projects are fully funded by grant, with significant contingency built in for design and construction, inflation and an additional allowance included in the risk register for any fluctuations.

[HM/19072023/G]

7.0 Legal implications

- 7.1 Subject to the recommendations being approved, the Council propose to secure grant funding to contribute towards the new build project. The Council will need to comply with any associated terms and conditions of grant funding, failing to comply with the terms could lead to clawback, withholding or suspending grant payments.
- 7.2 The Council will need to undertake a procurement exercise for the proposed development and associated goods, works and services in accordance with its own Contract Procedure Rules and in accordance with the Public Contract Regulations 2015. It will also need to adhere to the law relating to Subsidy Control.
- 7.3 In relation to the Council's assets the Council will need to comply with its Constitution and Section 123 of the Local Government Act 1972 in relation to the proposed disposals of the leases. Section 123(1) of the Local Government Act 1972 states that a council may dispose of land held by them in any manner they wish. This includes granting leases as proposed in the report. In Section 123 (2) of the Local Government Act 1972, except with the consent of the Secretary of State, a Council shall not dispose of land, otherwise by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.
- 7.4 Under the Local Government Act 1972, the Secretary of State can issue a General Disposal Consent covering particular types of cases. For instance, a local authority may consider disposals at a reduced consideration if the purposes for which the land is to be disposed of is likely to contribute to the promotion or improvement of the economic, social, or environmental well-being of its area.
- 7.5 The Council must be aware of the rules relating to Subsidy Control as an undervalue could confer a benefit and therefore stand alone and unequivocal legal advice is required in respect of this proposal. The advice has therefore been sought and obtained from an external law firm. The Council must ensure it considers Subsidy Control rules, where applicable, when dealing with grant funding monies.
- 7.6 The Council's Legal Services will provide legal advice throughout the progression of the matter in relation to the various legal agreements, which include the leases, funding agreements, contracts, and other ancillary agreements.
- 7.7 As the Council is subject to the Freedom of Information Act and potential judicial review all necessary legal agreements must be entered into to protect the Council from financial and reputational harm.

[AS/23062023/A]

8.0 Equalities implications

- 8.1 An equalities analysis has established that this project is relevant to the Council's duty to advancing equality of opportunity. The Senior Equality Diversity and Inclusion Officer has been satisfactorily consulted on this matter and no implications have been highlighted whilst jointly reviewing the Equality Analysis Form.

9.0 All other implications

- 9.1 The proposed solution is supported by Corporate Landlord as it provides new facilities for the Council's Strengthening Families Hub and East Social Care Team that are much needed in the area and helps reduce operation costs. The scheme will also address the ICB's requirements which seeks the Council's assistance in relocating and housing GP practices that are in the red list.
- 9.2 The Health & Safety team have been consulted on the concept and at this stage there are no concerns. As the project develops the team shall be involved throughout the process.

10.0 Schedule of background papers

- 10.1 Cabinet 22 March 2023 – [One Public Estate – Asset Transformation Programme](#)
- 10.2 Cabinet 14 December 2022 – [Levelling Up Fund Round 2 Bids Update](#)
- 10.3 Cabinet 25 April 2017 – [Bilston Urban Village](#)

11.0 Appendices

- 11.1 Appendix 1: ICB letter of support
- 11.2 Appendix 2: Site Plan