



West
Northamptonshire
Council

WEST NORTHAMPTONSHIRE FULL COUNCIL

30 June 2022

**Cllr Daniel Lister – Cabinet Member for Economic Development, Town
Centre Regeneration and Growth**

Report Title Weston Favell Health and Wellbeing Hub

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Appendix A – Weston Favell Health and Wellbeing Hub Feasibility Study

1. Purpose of Report

- 1.1. This report is to update Council on the Weston Favell Health and Wellbeing project, informing Council of the project background, strategic context, benefits and challenges.
- 1.2. To seek approval from Council to fund £25.1m towards the costs for the Weston Favell Health and Wellbeing Hub project, subject to the project being successful in its Levelling Up Fund (LUF) application for £20m, with the final decision being delegated to the Executive Director of Finance in consultation with the Executive Director of Place, Economy and Environment; the Director of Legal and Democratic Services, the Cabinet Member for Finance and Cabinet Member for Economic Development, Town Centre Regeneration and Growth.

2. Executive Summary

- 2.1 The Weston Favell Health and Wellbeing Hub proposes to redevelop a series of dated public and health facilities that are no longer fit for purpose, by knocking down existing properties to create a new integrated centre delivering leisure, learning, adult, children's and healthcare services in a more coordinated and efficient manner to promote improved health and wellbeing outcomes for a local community facing a range of poor health indicators.
- 2.2 The Weston Favell Health and Wellbeing hub aims to bring together a number of key services into one building to deliver more integrated, customer focused services for the local community as well as creating economic growth through the delivery of new homes and jobs but also generating efficiencies, through capital receipts and reduced running costs.
- 2.3 The Weston Favell Health and Wellbeing Hub will serve some of the most deprived areas in West Northamptonshire and the wider region, the local community is considered in the top 20% most deprived neighbourhoods in the country and surrounding wards such as Riverside is considered in the top 10% of deprived neighbourhoods in the country.
- 2.4 The Weston Favell Health and Wellbeing Hub will have new, modern and advanced facilities which will provide affordable activities which can improve the health and wellbeing of those communities from a lower socio-economic background and provide them with the new opportunities to be active and access community health and wellbeing facilities.
- 2.5 The current facilities at Weston Favell include Lings Forum Leisure Centre, Weston Favell Health Centre, Olympus House (adult services), the Forum (children's services), and Weston Favell Library. The site will also look to accommodate a police presence with the local police station closing.
- 2.6 The Council have the opportunity to bid for £20m for the Weston Favell Health and Wellbeing Hub project through the LUF. The LUF is designed to invest in infrastructure that improves everyday life across the UK. The £4.8 billion government fund will support town centre and high street regeneration, local transport projects, and cultural and heritage assets.

- 2.7 For submissions into the LUF, projects need to have a full funding package identified. Any gaps in the funding must be clearly identified and evidence provided of any wider public or private sector co-funding commitments (such as letters, contractual agreements.) To provide Government with confidence, where there is a shortfall in the funding package there needs to be an unambiguous commitment from the council that this will be met.
- 2.8 The Weston Favell Health and Wellbeing Hub project does not have a complete funding package. The project is being led by the council and the estimated cost of the project is to be £45.1m. If successful in being awarded £20m from the Levelling Up Fund this would leave a funding gap of £25.1m. In order to seek funding from the LUF, Government require confidence that the £25.1m funding gap will be met by the council.
- 2.9 There are significant costs that the Council face through the running of the services at the current facilities at Weston Favell if the new hub is not developed. The new Health and Wellbeing Hub will also mean reduced running costs for the Council as well as an increased income from health and police partners.
- 2.10 The designs for the Health and Wellbeing Hub are currently only in the early stages of development and for the project to be able to meet the funding requirement of having the LUF grant spent by 31st March 2025 work needs to continue ahead of the funding announcement that is expected in late autumn 2022. Due to the complexity of the project and that it is in early development, the figures presented in this report are a best estimate of project costs and benefits and these will be firmed up as the project progresses.
- 2.11 The approved 22/23 revenue general fund budget includes one off funding of £0.5m for developing a portfolio of pipeline projects to help secure external funding and grants when the opportunities arise. The council propose to utilise approximately £0.25m of this in order to continue to progress this project to fund the undertaking of further studies on the site location and appointing the professional team, including architects, to develop the designs ahead of the funding announcement.
- 2.12 The project has been assessed by Avison Young and has scored highly against the strategic aim of the fund. Given the high levels of deprivation surrounding Weston Favell, the project meets many of the missions of the Levelling Up Government policy through improving wellbeing and narrowing the gap between areas with the highest and lowest levels and improving perceptions of their local community by strengthening “pride in place.”

3. Recommendations

- 3.1 It is recommended that Council:
- a) note the progress made to date on the Weston Favell Health and Wellbeing Hub.
 - b) To approve in principle West Northamptonshire Council capital funding of £25.1m (for the financial year 23/24) for the Weston Favell Health and Wellbeing Hub, subject
 - to the bid to the Levelling Up Fund being successful and;

- to a final delegated decision by the Executive Director of Finance with the benefit of a full business case in consultation with the Executive Director of Place, Economy and Environment; the Director of Legal and Democratic Services, the Cabinet Member for Finance and Cabinet Member for Economic Development, Town Centre Regeneration and Growth.
- c) note the use of £0.25m pipeline projects one off revenue budget to continue to develop the Weston Favell Health and Wellbeing Hub project ahead of the announcement of the Levelling Up Fund in late 2022.

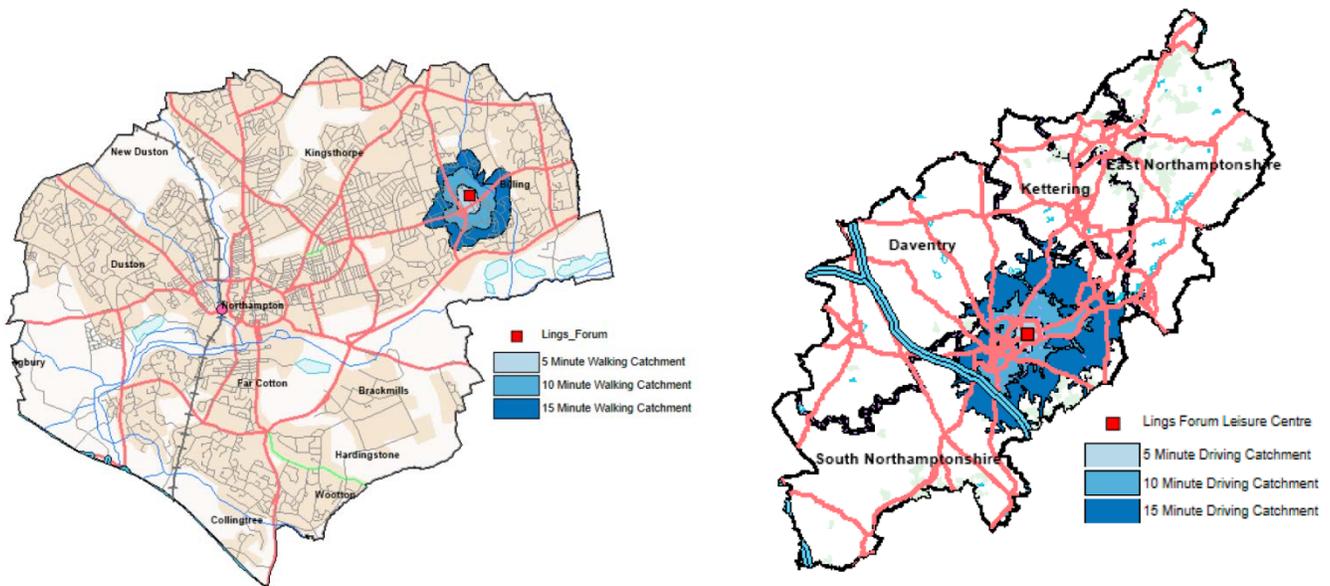
4. Reason for Recommendations

- 4.1 The recommendation is being made to enable the council to bid for the benefit of £20m of Government funding to improve infrastructure and services at Weston Favell through the delivery of new integrated Health and Wellbeing Hub. Failure to secure the £25.1 million of match funding from the council for the project will result in the council not being able to bid for the grant.
- 4.2 The new Weston Favell Health and Wellbeing Hub will be a transformational asset to the communities and catchment area it serves as well as delivering wider savings and benefits across the health system and West Northamptonshire.
- 4.3 In order to meet the Government's requirement of having all LUF monies spent by March 2025, work on progressing the Weston Favell Health and Wellbeing Hub project needs to start now at risk with activities such as design development, planning, technical studies and planning of procurement. Unless the project continues to be progressed ahead of the funding announcement, this will substantially increase the risk of not being able to meet the Government's requirement of spending all the LUF funding, if successful, by March 2025.

5. Report Background

- 5.1 The second round of the Levelling Up Fund (LUF) was announced on the 23 March 2022, the LUF is designed to invest in infrastructure that improves everyday life across the UK. The £4.8 billion fund will support town centre and high street regeneration, local transport projects, and cultural and heritage assets.
- 5.2 Bids are up to £20 million per area with the exception that large transport bids can be made up to £50m (must be at least 90 per cent transport focused) and Government will fund two large cultural and heritage investments that can be made up to £50m (must be at least 90 per cent culture focused). These projects must be flagship projects that focus on highly visible interventions that boost local pride in place. Bids can either be for one project up to £20m or a "package bid" of up to three projects up to £20m. All bids must be submitted by noon on Wednesday 6 July.
- 5.3 The Weston Favell Health and Wellbeing Hub project has been assessed by consultants Avison Young Ltd against the criteria of the LUF and has scored the project strongly against the strategic fit of the fund and has been recommended to proceed into applying for £20m from the LUF. The LUF process was set out in the Cabinet Report dated 14 June 2022.

- 5.4 A requirement of the LUF is that for all projects proposed the whole funding package has to be identified. Any gaps in the funding must be clearly identified and evidence provided of any wider public or private sector co-funding commitments (such as letters, contractual agreements.) To provide Government with confidence, where there is a gap in the funding package there needs to be an unambiguous commitment from the council that this will be met.
- 5.5 The Weston Favell Health and Wellbeing Hub project does not have a complete funding package. The project is being led by the council and the estimated cost of the project is £45.1m. If successful in being awarded £20m from the Levelling Up Fund this would leave a funding gap of £25.1m. In order to seek funding from the LUF, Government require commitment that the £25.1m funding gap will be met by the council.
- 5.6 The Weston Favell Health and Wellbeing Hub proposes to redevelop a series of dated public and health facilities that are no longer fit for purpose to create a new integrated centre delivering leisure, learning, adult, children’s and healthcare services in a more coordinated and efficient manner to promote improved health and wellbeing outcomes for a local community facing a range of poor health indicators.
- 5.7 The Weston Favell Health and Wellbeing Hub aims to bring together a number of key services into one building to deliver more integrated, customer focused services for the local community as well as creating economic growth through the delivery of new homes and jobs.
- 5.8 The current facilities at Weston Favell include Lings Forum leisure centre, Weston Favell health centre, Olympus House (adult services), the Forum (children’s services), Weston Favell Library and Weston Favell Police Station.
- 5.9 The current facilities at Weston Favell, located in the Talavera Ward, serve a large catchment area which covers most of Northampton. The below graphs show the walking catchment and driving catchment of the area and estimated population that the new Health and Wellbeing Hub will serve is 90,000.



- 5.10 The Weston Favell Health and Wellbeing Hub has received two rounds of One Public Estate (OPE) funding in 2019 and 2021 to undertake feasibility studies for the project undertaken by Continuum Sport and Leisure Ltd and Avison Young Ltd. OPE funding is capacity funding for councils to support the consolidation of public services focusing on emergency services and health as well as creating the opportunity for housing development. The funding has allowed for the Stage One Feasibility Study (Appendix A) and a Stage Two Outcomes Report to be produced.
- 5.11 Lings Forum leisure centre was built in 1972 and is owned by the council and managed by Unity Leisure (trading as Northampton Leisure Trust) Lings Forum provides an important leisure service for the local community of Weston Favell including a gym, sports hall, fitness studios, squash courts, swimming pool as well as cinema. Due to the age of the building, there are considerable constraints and problems with the structure of the building. A condition report undertaken by Northampton Leisure Trust stated that the leisure centre is “extremely inefficient in terms of energy consumption, all plant and equipment is beyond its useful life and the facility does not meet the needs of its customers now and in the future.” The leisure centre is also uninspiring and fails to promote participation and showcase activities as well as failing to deliver a quality environmental control and user experience.
- 5.12 Weston Favell Health Centre comprises of two GP surgeries (Favell Plus Surgery and Mayfield Surgery) with a combined patient list of c20,000 and a dental practice (Weston Favell Dental Surgery) and a range of community health services provided by Northamptonshire Health Foundation Trust, including physiotherapy, podiatry and speech and language therapy. The site is owned by NHS Property Services and provides important health and wellbeing services for the local community. However, the building itself is no longer fit for purpose, with a less than optimal design.
- 5.13 Olympus House is currently used by Northampton’s Adult Social Services (NASS) and owned by the council. NASS support those who need more help for certain physical, cognitive or age-related conditions; in carrying out personal care or domestic routine and to sustain involvement in work, education, learning, leisure and other social support systems in building social relationships and participating fully in society. Further space to continue delivering the services is required and Olympus House also highlights the poor and dated environment for both its users and its staff.
- 5.14 The Forum Centre is a dedicated contact centre for Northamptonshire Children’s Trust and owned by the council. It provides children’s services for adoption and fostering, help and protection for children, early years support, schools and education, special educational needs and disability support and youth offending service. The Forum accounts for 60% of all contact care in Northampton but the building is dated and is need for reconfiguring and improving to ensure it delivers for the needs of Northampton.
- 5.15 Weston Favell library has been serving Northampton’s eastern district for over 40 years and is operated by the council and is based within Weston Favell Shopping Centre. The library currently pays higher than most libraries given its location and is the most expensive library to operate in the county. The current library is very tired and there is a lack of repairs, leaking roofs and no natural light. The inclusion of the library in the Weston Favell Health and Wellbeing Hub provides

a number of opportunities including working with health partners to support the health and wellbeing agenda for the local communities.

5.16 The Police have expressed an interest in keeping a police presence in Weston Favell through the neighbourhood policing team with provision within the Weston Favell Health and Wellbeing Hub. The commissioner is keen to have a better-quality environment to prevent crime and help reduce anti-social behaviour within the local community.

5.17 Extensive consultation and feasibility has been undertaken to identify the facilities within the new Weston Favell Health and Wellbeing Hub, the facilities include:

- Leisure centre with a new swimming pool, learner pool, gym, exercise studios, sports hall, changing rooms and ancillary accommodation
- Library with quiet study areas, exhibition space, meetings rooms and staff areas
- One screen cinema
- Community hub with a lobby area, public seating, café, meeting and consultation rooms
- Adult services with office space, activity rooms, sensory rooms, function space and ancillary accommodation
- Children services with contact and family rooms, babies rooms, meetings and interview rooms, outdoor play area and ancillary accommodation
- GP practices with access to additional clinical space and minor operations room
- Dental practice
- Opportunity for additional services such as maternity and physiotherapy services.

5.18 The build cost of the Weston Favell Health and Wellbeing Hub has been estimated to be £45.1 million. The development costs have considered demolition and external works, hub build costs, contingency, preliminaries and professional fees which are included within this sum. The costs also account for the recent cost in raw materials and inflation.

5.19 It is important to note that greater detail over the costs will emerge at the detailed design and costing stage but the total build cost of the Weston Favell Health and Wellbeing will not exceed £45.1m. If there were cost pressures then the project would be reviewed and value engineered to look at potential savings to ensure the Weston Favell Health and Wellbeing Hub could be delivered within budget.

5.20 81% of floorspace in the new Weston Favell Health and Wellbeing Hub (excluding communal areas) relates to council services – including leisure provision, adult services, children services and housing and community services. 18% of the floor area is for health services including GP services, sessional and dental services, community midwives, pharmacy and physiotherapy clinic services. 1% of floor space is for the Police and Crime Commissioner as local community services.

5.21 The principles of the scheme are:

- A community entrance and lobby with a café and community rooms for hire will form a central hub space at the core of the scheme
- Leisure centre, library and cinema will form the largest element of the scheme
- Adult and children services will occupy a self-contained space

- Healthcare centre will occupy a self-contained space, paying rent and service charge and hiring space within the hub
- Local police will occupy a small space within the hub
- Service charges will cover the cost of communal areas and the central hub, as well as any insurance and maintenance costs

5.22 It is important to note that as the council will be borrowing up to £25.1m for the build of the Weston Favell Health and Wellbeing Hub. It is anticipated that these borrowing costs will be shared proportionately between partners in the calculation of the annual revenue costs of the scheme.

Hub Build Capital Cost	£45.1m
Funded By:	
Levelling Up Fund Grant Assumed	£20m
Assumed Sum Borrowed by WNC	£25.1m

5.23 Partners have indicated that capital funding will not be available and they would occupy the Weston Favell Health and Wellbeing Hub on a revenue basis. Partners would then pay an annual payment to the council. This would cover their share of the borrowing costs and the operating costs. There has been considerable engagement with partners during the course of the project. Partners are committed to the project and have re-affirmed that this project aligns with their strategic priorities, however Heads of Terms or financial commitments have not yet been secured. Due to the wide range of partners involved, there are different processes to go through within each organisation to achieve sign off for the project. This will be the focus of the next stage, however it is a risk that health partners may not be able to secure the permissions for the project or approvals are not as quick as anticipated. Permissions will be sought from partners ahead of project delivery to reduce the risk on the council.

5.24 The partners will also be liable for running costs associated with their occupation and use of the new Weston Favell Health and Wellbeing Hub.

5.25 In addition, the partners will also incur room booking charges. These cannot be predicted at this stage as the extent to which partners will wish to utilise the facilities in the central hub are unknown but will provide rental income to the hub.

5.26 Northampton's health indicators perform poorly in comparison with national averages on factors such as deprivation, obese children, physically active adults, life expectancy and under 75 mortalities. Northampton has also been ranked at the 105th most deprived Local Authority in the UK, putting it within the top third of the country. The Weston Favell ward is considered in the top 20% most deprived neighbourhoods in the country and surrounding wards such as Riverside is considered in the top 10% of deprived neighbourhoods in the country.

5.27 Physical activity has been shown to significantly improve people's mental, physical and social wellbeing and it is vitally important that the local communities of Weston Favell have access to high quality sport and physical activity and health facilities. The introduction of a health and

wellbeing hub will create a place where residents of Weston Favell and Northampton are encouraged to be physically active, lead healthy lifestyles and have access to high quality community facilities. The new facilities will also continue to provide affordable activities which can improve the health and wellbeing of those communities from a lower socio-economic background and provide them with the new opportunities to be active and access community health and wellbeing facilities.

5.28 There has been detailed analysis of supply and demand of key facilities within Northampton, undertaken as part of the stage one feasibility in 2020, to better establish the facility mix of the new Weston Favell Health and Wellbeing Hub this has taken into consideration the current and future needs of the population. Through the assessment, there is a clear need to maintain and expand the existing offer most notably for swimming provision, enhanced health and fitness facilities, retention of a small, localised cinema offer, and creation of additional activities that will draw people, particularly families and young people into the Weston Favell Health and Wellbeing Hub.

5.29 The Weston Favell Health and Wellbeing Hub project also has strong alignment with local, regional and national policies. The proposed facilities deliver a number of outcomes across a wide range of agendas including sport and physical activity, health, education and community cohesion. The project has strong strategic alignment with the following:

- Sport England – Uniting the Movement (2020)
This strategy sets a clear vision for the next ten years for Sport England and partners which is to have a nation of more equal, inclusive and connected communities and a country where people live happier, healthier and more fulfilled lives.” The Weston Favell Health and Wellbeing Hub project will create an active environment where people have the opportunities to be physically active. This project sits within the strategic objectives of Sport England who are also advocates of the project.
- West Northamptonshire Council Corporate Plan
This strategy sets out the collective vision for making West Northants a great place to live, work, visit and thrive. This project directly links into the “Improved Life Chances” priority by joined up working with health partners and support healthy, safe children and adults. It also links to the “Green and Clean” and “Thriving Villages and Towns” priorities by providing a vibrant community space and working to deliver safer communities with less anti-social behaviour.
- The Northamptonshire Care Partnership (ICS)
The ICS has developed the following key partnership themes of “Choose well, stay well, live well.” This project presents an opportunity to have a collective health and care estates solution for Weston Favell to deliver the themes of the ICS. Weston Favell has been identified as a priority area by the ICS for a community hub.
- West Northamptonshire Council Anti Poverty Strategy
The Strategy for 2022-2025 has three key priorities:
 - Supporting people who are struggling in poverty now

- Preventing people from falling into poverty in the first place
- Influencing the Government and other national organisations to get a better deal for the communities in West Northants

Outcomes of the strategy will include, an improvement in population health and wellbeing and fewer households living in poverty.

- 5.30 The location of the new Health and Wellbeing Hub will be located on the former Lings Upper site, this site has been vacant for a number of years. The site is within the council's ownership and is in close proximity to the shopping centre and able to benefit from its footfall. The size of the site also ensures there is sufficient space for car-parking adjacent to the facilities as well as an opportunity to provide high quality landscaping and external leisure uses. The site is also able to accommodate potential residential developments to the north and south. The development of the Weston Favell Health and Wellbeing Hub unlocks the wider site and allows for future housing developments to be considered at a later stage.
- 5.31 The delivery of the construction element of the project is proposed to be in phases, this allows for the continuation of the vital services delivered at Weston Favell. During the build of the new facilities, the existing properties will remain open and services will continue ensuring minimal disruption is caused. The different services and partners will occupy the new Weston Favell Health and Wellbeing Hub in stages which when the existing properties will be demolished once vacated.
- 5.32 The development of an integrated health and wellbeing hub offering a wide range of leisure, learning, healthcare, children's and adult services would bring huge benefits to the local community in terms of physical activity, learning, wellbeing and healthcare provision.
- 5.33 The project will provide enhanced leisure provision offering a much wider range of physical and leisure activities in a more modern setting, allowing more people to lead active lives, especially those from lower rates of participation. The new library, children's and adult services facilities would provide the community with a better customer-focused user experience. This project however is unlikely to happen without public sector intervention and the strength of the partnerships built up to deliver this.
- 5.34 The new health centre will allow a more extensive range of health care services to be offered in a more efficient and convenient local setting, reducing costs to the NHS. It will also facilitate closer working between partners to offer more integrated health and wellbeing services that would encourage people to lead more active and healthier lives. All new spaces would be better configured to ensure optimum use of space.
- 5.35 The central hub will be the focal point of the building from which residents can access all other services in the building, in addition to a café and area for meeting and relaxation it will house the following:
- Small meeting rooms that can be booked by partner organisations and the community. This will enable social prescribing and other integrated care interactions.

- Large meeting rooms for group consultations, events and community activities. These will also be able to be booked by partner organisations and the community.
- Clinical rooms within the central hub which can be access by any organisation and are separate to the health centre. These will be particularly appropriate for mental health consultations and remove the stigma that some people associate with going to a “healthcare” building.
- Digital technology is a key enabler for the central hub so that data systems can be shared by all partners, virtual consultations can take place, residents can use it as an information point, and it can provide a source of data inclusion to the community.

5.36 There are key health needs and wider determinants of health needs within the Weston Favell area. The new Weston Favell Health and Wellbeing Hub is ideally placed to address these needs, as follows:

- Obesity and smoking – linking a health centre with both a leisure centre and library is the ideal way to tackle primary prevention. The centre will provide the opportunity to engage residents in a wide range of physical activity and within the central hub and the library, there will be the capacity to have health prevention events, activities and interventions that engage people coming to the Weston Favell Health and Wellbeing Hub
- Long term conditions – this site will provide both the capacity to run long term condition clinics but will also provide the environment to support people with long term conditions to improve their health: through information and advice at the library, through the leisure facilities and being able to access integrated, holistic care, including social prescribing
- Mental health and social isolation – the new site has been specifically deigned to house mental health services in a way that reduces the stigma of accessing these services, but it will allow professionals to refer to other services on site that will have significant mental health benefits such as physical activity, leisure, information, advice and social connection. Having a café on site will enable a range of community activities to take place which can address social isolation in the community
- Social care utilisation in children – having the children’s contact centre on site will allow a facility that is currently separate, to be integrated into normal, everyday activities. This will enhance the experience for families and support the service in progressing families beyond the statutory sector

5.37 The development of the Weston Favell Health and Wellbeing Hub is an investment into buying greater capacity and integrated service capability which will have the following benefits:

- Enabling delivery of appropriate services out of hospital
- Enabling a population health management approach through the primary care networks
- Providing a site for integrated care, not just between health and social care but those services addressing the wider determinants of health, including leisure, library, other advice services such as housing and Citizens Advice Bureau
- Enabling the Northamptonshire model of social prescribing with its significant aims to address frequent attendance to primary and secondary health care, long term conditions, mental health and support carers

5.38 The outcomes of this way of delivering care are expected to be:

- Improving the population's physical health, mental health and wellbeing, impacting on the use of services but also wider impacts such as increasing employment rates
- Building more resilient communities
- Reducing reliance on NHS services and releasing capacity through a prevention-focused approach

5.39 The economic impact of the Weston Favell Hub is very closely linked to the wider social prescribing interventions in Northamptonshire. The new building will provide an ideal environment in which to undertake social prescribing given the co-location of all the services.

5.40 Economic benefit assumptions have been used from the Northamptonshire social prescribing programme and analysed at a local level. Weston Favell Health and Wellbeing Hub is a key social prescribing solution within the Weston Favell area and it is assumed that it will serve a population of 90,000 who live in the East Northampton area surrounding Weston Favell.

5.41 The social prescribing programme is expected to have a broader impact beyond reductions in the use of health and care services, including benefits to the central Government departments and local authority social care.

5.42 The Department for Work and Pensions (DWP) states that 59% of people with long-term conditions are in work in the UK, compared to 72% of the general population (when this report was written) for some beneficiaries, the improvement of their wellbeing will allow them to enter into employment. The avoidance or delay of benefit claims will be an immediate saving to the DWP.

5.43 Social care – for some beneficiaries of the intervention, an improvement in their physical and mental health and wellbeing and an increased engagement in community activities will delay or reduce their use of social care services, a saving that will accrue to the council.

5.44 Whilst it could be argued that not all of the social prescribing benefits described for the 90,000 population above will be delivered through Weston Favell, there is no doubt that the Weston Favell Health and Wellbeing Hub will facilitate a significant part of the social prescribing for this area and will have a very positive contribution to attaining the benefits.

5.45 In an example from Berkshire West, which has a population of 550,000, 70% of the practices within the area participated in an integrated care approach to the management of diabetes. The prescribing savings for this population over a two-year period were £800,000. If we translate that to Weston Favell, assuming the population of 90,000 and full practice participation savings could be £187,000 over two years. This is a saving for a single long-term condition, so if it assumed that new models of care could be delivered across a wide range of conditions as a result of the Weston Favell Health and Wellbeing Hub development, these savings start to be considerable.

- 5.46 Modelling carried out by Sport England estimates that the project has the potential to deliver in excess of £10m of social value across mental health, physical health, individual development and society impact based on the project resulting in 5,000 currently inactive people in Northamptonshire to become more physically active.
- 5.47 The projected increase in footfall at the new leisure centre would deliver a significant increase in the £3m+ per year social impact NLT already deliver through its activities, as measured by a 2018 independent study by the University of Northampton.
- 5.48 Based on modelling undertaken by Continuum Sport and Leisure Ltd on the impact of increased physical activity amongst the community, the project has the potential to deliver a significant saving for WNC through a reduction in levels of childhood obesity, youth crime and disorder, and elderly frailty.
- 5.49 The delivery of the new Weston Favell Health and Wellbeing Hub would not only deliver value for money financially through the delivery of new accommodation that will have lower running costs and leisure facilities that will increase footfall and income generation but also generate wider social and economic value for the communities in Northampton.
- 5.50 The proposed occupational arrangements would be that the council is the landlord and the developer. The potential Weston Favell Health and Wellbeing Hub tenure model would be as follows:
- The health system – with the emergence of the Integrated Care System (ICS), it is assumed that that “health head lease” would be granted to this organisation. The ICS would then grant sub-tenancies to the various organisations, including voluntary sector, GP surgeries and dentistry and others as appropriate.
 - The Police and Crime Commissioner (PCC) – the council would grant a direct lease. The PCC has indicated a preference for security of tenure and a longer lease term, a term of 25 years is assumed.
 - Children’s Trust - the council would grant a direct lease; a term of 25 years is assumed.
 - The council – the new leisure centre, library space and central hub would be granted through a lease and a management agreement to the new leisure services operator which would need to be procured via a competitive process
 - Adult services – this would dealt with by way of an internal occupational arrangement.
- 5.51 The designs for the Health and Wellbeing Hub are currently only in the early stages of development and for the project to be able to meet the funding requirement of having the LUF spent by 31st March 2025 work needs to continue ahead of the funding announcement that is expected in late autumn. £250,000 one off funding from the approved 22/23 revenue general fund budget pipeline projects budget will be utilised to undertake further studies on the site location, appoint the professional team including architects to develop the designs ahead of the funding announcement. Unless the project continues to be progressed ahead of the funding announcement, this will substantially increase the risk of not being able to meet the Government’s requirement of spending all the LUF funding, if successful, by March 2025.

- 5.52 There has been considerable engagement with partners during the course of the project, the project board meets regularly and this is made up of West Northamptonshire Council, Northamptonshire CCG, Northamptonshire Healthcare NHS Foundation Trust, NHS Property Services, University of Northampton, Police & Crime Commissioner for Northamptonshire and Sport England. Partners are committed to the project and have re-affirmed that this project aligns with their strategic priorities, however Heads of Terms or financial commitments have not yet been secured. Due to the wide range of partners involved, there are different processes to go through within each organisation to achieve sign off for the project. This will be the focus of the next stage, however it is a risk that health partners may not be able to secure the permissions for the project or approvals are not as quick as anticipated. If this is the case, the council will proceed with the project without the health element and seek to deliver a scaled down Weston Favell Health and Wellbeing Hub at a lesser cost.
- 5.53 The next steps for this project are to appoint a professional team which will include architects, a project manager, leisure and sport consultancy and cost consultants to continue to progress the design development of this scheme.
- 5.54 The team will continue to engage with the partners highlighted above and understand the partners requirements for sign off to proceed with the project. Indicative timescales for the programme are detailed below:
- July 2022 – April 2023 – detailed design development
 - May 2023 – planning application submitted
 - July 2023 – selection of a preferred contractor
 - December 2023 – enabling works to start on site
 - May 2024 – May 2027 – phased delivery of works on site

6. Issues and Choices

7. Implications (including financial implications)

7.1 Resources and Financial

- 7.1.1 The cost for building the Health and Wellbeing Hub is estimated to be up to £45.1m. The development costs have considered demolition and external works costs and the build costs. The costs are indicative and greater detail will emerge at the detailed design and costing stage. The costs have been calculated using the base unit costs (plus prelims, overheads, contingency, professional fees and optimism bias) which have been calculated by cost consultants Stace Ltd.
- 7.1.2 The council have the opportunity to bid for £20m for the Weston Favell Health and Wellbeing Hub project through the LUF. For submissions into the LUF, projects need to have a full funding package identified. Any gaps in the funding must be clearly identified and evidence provided of any wider public or private sector co-funding commitments (such as letters, contractual agreements.) To provide Government with confidence, where there is a shortfall in the funding package, there needs to be a commitment from the local authority that this will be met.

- 7.1.3 The Weston Favell Health and Wellbeing Hub project does not have a complete funding package with no commitments for the remaining £25.1m required for the project to proceed. If successful with the LUF bid of £20m. This report is seeking approval for the council to fund the £25.1m funding gap.
- 7.1.4 The council will be borrowing up to £25.1m for the build of the Weston Favell Health and Wellbeing Hub.
- 7.1.5 The council would seek to provide a lease to health and police partners for their respective space in the hub to deliver their services. The cost of the operating leases would include a contribution to the cost of borrowing for the scheme.
- 7.1.6 It has been estimated that the average annual cost of borrowing £25.1m will be approximately £1.5m per annum. This revenue impact will then be reduced for the following reasons:
- An anticipated contribution to the borrowing costs from the health partners and the PCC.
 - Revenue savings associated with operating more efficient buildings than the current suite of buildings
 - Increased footfall and use of the leisure services thereby increasing income
 - Increased income as a result of hiring out rooms to external clients at the new hub
 - Social care savings associated with the enhanced facilities potentially having a positive impact on people's well being and mental health for example and thereby reducing the costs of these services to the Council.
- 7.1.7 All of these revenue savings, partner contributions or increased income will significantly reduce the net impact on the revenue account but are subject to agreement and further detailed work and therefore cannot be quantified at this stage. The financial position set out above is the worst case scenario.
- 7.1.8 Delegated authority is sought to finalise the business case in order to be able to continue with the detailed work including seeking agreements in principle from key partners to contributions to the scheme to minimise the impact on the revenue account if the levelling up bid is successful.
- 7.1.9 This work will continue and the overall net iompart, once verified, will be fed into the Medium Term Financial Plan for 2023-24 and beyond.
- 7.1.10 Another important financial consideration is the condition of the buildings currently being used at Weston Favell. It is estimated that there will need to be a level of expenditure spent on the current estate to deal with capital expenditure, operational property expenditure and income. An estimate of the cost of 'status quo' to continue to run the services from the Library, Olympus House, the Forum and the Leisure Centre for a further 25 year period, is £11.4m. In moving to the new model some of these costs will clearly be avoided.
- 7.1.11 The designs for the Health and Wellbeing Hub are currently in the early stages of development and for the project to be able to meet the funding requirement of having the LUF spent by 31st March 2025 work needs to continue ahead of the funding announcement that is expected in late autumn. £250,000 of capacity funding is requested from the Pipeline Projects budget approved

in the 2022/23 revenue general fund to undertake further studies on the site location, appoint the professional team including architects to develop the designs ahead of the funding announcement. Unless the project continues to be progressed ahead of the funding announcement, this will substantially increase the risk of not being able to meet the Government's requirement of spending all the LUF funding, if successful, by March 2025.

7.1.12 Partners have indicated that capital funding will not be available to them and they would most likely occupy on a revenue basis, this would take the form of annual rental payments governed by a lease.

7.2 Legal

7.2.1 Section 1 of the Localism Act 2011 gives the council the power to do anything that individuals may generally do and section 111 of the local government act 1972 gives a local authority power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. If successful, the council must ensure use the funding in line with the proposal and be provided with evidence to demonstrate how the funding has been spent.

7.2.2 The Council will need to consider the application of any applicable subsidy rules before passing on any funding to ensure that any funding given is lawful. External advice has been received on the subsidy control implications of the LUF funding to the Council. Given the timescales involved, external legal advisers have not been in a position to provide a full subsidy control advice (but will assist with the subsidy control aspects of the application). The provisional advice, which can be summarised as follows:

7.2.3 Given the timescales for the decisions on the award of LUF funding by DLUHC, the subsidy control regime which will apply to the award is likely to be that under the Subsidy Control Act 2022 (the **Act**). The Act has received Royal Assent but its operative provisions are expected to come into force in the autumn.

7.2.4 The definition of a subsidy under section 2 of the Act is "*financial assistance which –*

- *is given directly or indirectly from public resources by a public authority;*
- *confers an economic advantage on one or more enterprises*
- *is specific, that is, is such that it benefits one or more enterprises with respect to the production of goods or the provision of services, and*
- *has, or is capable of having, an effect on-*
- *competition or investment within the United Kingdom*
- *trade between the United Kingdom and a country or territory outside the United Kingdom,*
or
- *investment as between the United Kingdom and a country or territory outside the United Kingdom."*

7.2.5 For the purposes of the Act includes a direct transfer of funds (such as a grant) and a public authority would include DLUHC and other central government departments. Leaving aside the other elements of the definition, the key test is whether any of the public sector beneficiaries of the LUF funding in respect of the Health and Wellbeing Hub (i.e. the Council, the NHS partners

and the Police) are acting as enterprises for the purposes of the Act. To understand whether this is the case, it is necessary to look at the activities to be carried out at the new Hub:

- Leisure services, library services, cinema
- Community hub
- Adult services
- Children services
- GP practices, dental practice, opportunity for additional services such as maternity and physiotherapy services
- Community policing.

7.2.6 These are all activities which would fall historically, under the state aid rules, as being “public functions” of the bodies delivering them (leisure and related activities, social services, publicly funded health services, policing) i.e. would not be economic activity and funding them would not be state aid. Going forward to the current regime, which derives from the UK-EU Trade and Co-operation Agreement, the same assumptions have been made about public functions, because the definition of a subsidy is very similar to that of state aid.

7.2.7 Looking further at the Act (and absence of any guidance so far), an “enterprise” is defined in section 7. This is:

“(a) a person who is engaged in an economic activity that entails offering goods and services on a market, to the extent that the person is engaged in such an activity, or (b) a group of persons under common ownership or common control which is engaged in an economic activity that entails offering goods or services on a market, to the extent that the group is engaged in such an activity”.

7.2.8 This is similar to the definition of an undertaking in state aid law and an economic actor under the TCA, so it is reasonable to assume that the distinction between economic and non-economic activities is still valid. This is reinforced by section 7(2), which goes on to provide that “...an activity is not to be regarded as economic activity if or to the extent that it is carried out for a purpose that is not economic”. As noted above, there is no guidance yet on this sub-section, but it reinforces the view that the public function activities set out above are not for an economic purpose. Accordingly, there is a good argument that the LUF funding would not amount to a subsidy to the Council or to its partners.

7.2.9 Looking at private sector delivery partners (contractors/consultants involved in the construction of the new Hub and any operators of the new Hub), they will be enterprises but there will be no specific economic advantage conferred on them indirectly by the LUF funding if they are appointed on terms and rates no more favourable than the market would bear in similar circumstances. This is most easily demonstrated by their being appointed through open and non-discriminatory public tenders, performed according to public procurement rules. If that is the case, then it is unlikely that there will be a subsidy to any private sector delivery partner.

7.2.10 Further legal advice will be required in relation to the project, before the final delegated decision is made to award the funding.

7.3 Risk

- 7.3.1 If the LUF applications are unsuccessful, the information and evidence developed will still be utilised as part of the scheme planning and in support of securing the required investment from alternative sources.
- 7.3.2 If the LUF grant is secured and the Weston Favell Health and Wellbeing Hub can not be delivered within the Government's timeframe by March 2025, there is a risk that Government could claw this money back from the council.
- 7.3.3 In order to meet the timescales of the LUF, work will need to be progressed at risk prior to the outcome of the bid being known, and for the Weston Favell Health and Wellbeing Hub project this will include site surveys, preparation of a planning application, design and cost development and procurement activity.
- 7.3.4 There is a risk that it is not possible to secure permissions from the health partners in time when developing the detailed designs and cost information, if this is the case the council would progress with the project and deliver a scaled down Weston Favell Health and Wellbeing Hub at a lesser cost.
- 7.3.5 Partners are committed to the project and have re-affirmed that this project aligns with their strategic priorities, however Heads of Terms or financial commitments have not yet been secured. Due to the wide range of partners involved, there are different processes to go through within each organisation to achieve sign off for the project. This will be the focus of the next stage, however it is a risk that health partners may not be able to secure the permissions for the project or approvals are not as quick as anticipated. Permissions will be sought from partners ahead of project delivery to reduce the risk on the council.

7.4 Consultation

- 7.4.1 There has been extensive consultation throughout the development of this project. The process has involved a number of key stakeholders, service providers, public and patient consultation. Consultation has included:
- Engaging with key stakeholders and partners for sport and health, including council teams, school representative, public health, Northamptonshire Sport and Sport England
 - National Governing Bodies such as the Football Association, England Boxing, England Basketball, British Gymnastics, Swim England and England Squash
 - Public consultation through a user survey of the leisure centre users and leading community sports clubs resulting in 349 responses.
 - Patient survey for the GP surgeries at Weston Favell with 914 responses
 - Community consultation through public surveys and virtual consultation rooms resulting in over 1000 responses
 - Workshops with service providers in Weston Favell including Northamptonshire Healthcare Foundation Trust, Locality Board for Northampton, Northampton Leisure Trust, Northamptonshire Adult Social Services, Northamptonshire Children's Trust, Northamptonshire Libraries, Mayfield GP Surgery and Favell Plus Surgery.
 - Student survey with Northampton Academy with a total of 252 responses

7.4.2 Despite the restrictions on physical meetings during the pandemic there was a very encouraging response to the consultation process and the online consultation room resulted in a high response rate and very positive feedback.

7.4.3 There has also been consultation with influential stakeholders including Northamptonshire Police and Crime Commissioner, NHS Property Services, NHS Nene Clinical Commissioning Group, Northamptonshire Health and Care Partnership, Northampton General Hospital, Kettering General Hospital, Healthwatch Northampton, Northampton Swimming Club, South East Midlands Local Enterprise Partnership (SEMLEP), Emmanuel Church, Northamptonshire Healthcare Foundation Trust, Weston Favell Shopping Centre, University of Northampton, Northampton Academy and Northampton Partnership Homes.

7.4.4 The key findings of the consultation are that:

- Weston Favell remains a very important district centre serving a very important part of the town and investment into health and wellbeing remains a strategic priority for all partners
- A drive towards shared service provision (across health, wellbeing and physical activity) with Weston Favell becoming a key site for the implementation and delivery of the Integrated Care System and social prescribing model within Northampton and wider
- The facilities of each service are dated and not fit for purpose and there is a need for modernisation to allow better provision of services
- The Weston Favell Health and Wellbeing Hub project is supported unanimously and is needed in order to serve the local communities

7.4.5 Whilst there has been limited time and opportunity to undertake consultation prior to submission of potential applications to the LUF, it should be noted that further consultation and engagement focused on proposals arising from the applications, will be undertaken, as part of the development of detailed proposals.

7.5 **Consideration by Overview and Scrutiny**

7.5.1 Levelling up Fund is part of the work programme of the Place Overview and Scrutiny Committee.

7.6 **Climate Impact**

7.6.1 The Weston Favell Health and Wellbeing Hub project looks to modernise and regenerate the current outdated facilities, this will have a positive effect in terms of carbon reduction and energy efficiency.

7.6.2 The project will be subject to an environmental impact assessment.

7.7 **Community Impact**

7.7.1 The Weston Favell Health and Wellbeing Hub will have a positive impact on the community through redeveloping essential facilities which are currently outdated and not fit for purpose.

7.7.2 If the council is successful with its LUF bid, the project will be subject to engagement and consultations with local stakeholders and the public through all stages, including statutory consultations to take place during the planning stages.

7.7.3 The council will undertake programme-wide level impact assessments, relevant project-level impact assessment and equality and impact assessments when required

7.8 **Communications**

7.8.1 Communications will play a key role in informing, engaging and updating the public and all other stakeholders on the development of this project, its future outcomes and wide-ranging benefits for the local community as the scheme moves forward.

Background Papers

UK Levelling Up Fund Round Two Cabinet Paper, 14 June 2022.