



Report to Strategy & Resources Policy Committee

Author/Lead Officer of Report: Joint report of Angela Glentworth (Property and Facilities Management) and Joe Horobin (Integrated Commissioning)

Report of: Ryan Keyworth, Director of Finance and Commercial Services
Report to: Strategy and Resources Policy Committee
Date of Decision: 19 December 2022
Subject: Primary Care Capital Programme - GP Hubs

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given?				
The South Yorkshire ICB Sheffield Place Team have undertaken a comprehensive and dynamic ongoing equalities assessment, the link to which is provided below. The Council is assured that this assessment is robust and will continue to work closely with the SYICB Sheffield Place Team to ensure it is updated where there are developments to the project. Each of the final proposals will be assessed as part of the capital approval process via Strategy and Resources Committee.				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
The South Yorkshire ICB Sheffield Place Team have undertaken a pre-engagement exercise and a full consultation. The proposals have also been considered fully by the Health Scrutiny Committee at each stage. Relevant reports attached.				
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
A full Climate Impact Assessment will be brought forward as the programme develops with each of the final proposals being assessed as part of the capital approval process via Strategy and Resources Committee.				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				

Purpose of Report:

To update the Committee on an NHS England funding bid for the development of a number of new health care facilities in the city and to set out how the Council can facilitate these developments in order to secure the investment.

Recommendations:

The Strategy and Resources Policy Committee is recommended to:

- Note the work undertaken to develop the proposals for new health care facilities in the city
- Approve, on the basis set out in this report, the Council being the Integrated Care Board's delivery partner for the health care facilities
- Approve, on the basis set out in this report, the Council entering into an agreement with SYICB to be their delivery partner for these capital schemes
- Approve, on the basis set out in this report, the Council being Accountable Body for the funding from NHS England
- Delegate authority to the Director of Finance and Commercial Services in consultation with the Chair of Strategy and Resources Policy Committee to take any further reserved grant aid decisions necessary to implement the proposals and achieve the outcomes set out in this report
- Delegate authority to the Chief Property Officer in consultation with the Chair of Strategy and Resources Policy Committee to take any further reserved property decisions necessary to implement the proposals and achieve the outcomes set out in this report
- Note that individual development proposals will progress via the Council's established capital approval process.

Background Papers:

- Minutes of the Health Scrutiny Sub-Committee Meeting held on 21st June 2022 [Minutes Template \(sheffield.gov.uk\)](#)
- Report for and meeting of the Health Scrutiny Sub-Committee on 23rd November 2022 ([Sheffield City Council - Agenda for Health Scrutiny Sub-Committee on Wednesday 23 November 2022, 10.00 am](#))
- Health Scrutiny Sub-Committee response to consultation

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Ryan Keyworth
		Legal: Sarah Bennett
		Equalities & Consultation: Adele Robinson and Ed Sexton
		Climate: Will Stewart
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		

2	SLB member who approved submission:	Ryan Keyworth
3	Committee Chair consulted:	Cllr Ruth Milsom (Adult Health and Care Scrutiny Sub-Committee Chair) Cllr Angela Argenzio and Cllr George Lindars Hammond (AHSC Committee Co-Chairs) Cllr Terry Fox (Leader of the Council and Chair of Strategy and Resources Policy Committee)
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Joe Horobin Ryan Keyworth	Job Title: Director of Integrated Commissioning Director of Finance and Commercial Services
	Date: 14 December 2022	

1. PROPOSAL

Background:

- 1.1 In March 2022, HM Treasury confirmed the award of £57.5m funding to South Yorkshire to improve primary care buildings in the region. Of this, £37m was allocated for schemes in Sheffield, subject to the submission of a robust business case.
- 1.2 The City Council was approached by the South Yorkshire Integrated Care Board (previously the NHS Sheffield Clinical Commissioning Group) to work in partnership to secure the capital projects. The Council was able to support the capital project by identifying suitable sites (through its Property Services) and commissioning feasibility and design work (via its Capital Delivery Service) on behalf of the SY ICB. The SY ICB has also asked the Council to act as delivery partner. This is because, due to restrictions on the SY ICB's ownership powers related to the HM Treasury / NHS England funding award, they are unable to develop and own assets. The SY ICB have therefore requested that the Council take on responsibility for delivering the schemes and become the ultimate owner of the assets.

The Capital Development Programme:

- 1.3 Most of the money is to build up to five new health centres in Sheffield. The proposals that have been considered cover the following areas:
- x2 developments in the Foundry Primary Care Network (PCN)
 - x2 developments in the SAPA PCN
 - x1 development in the City Centre.
- 1.4 These developments would mean the replacement of a maximum of 12 existing GP practice buildings (as part of up to 9 practices). Where development plans go ahead, it will mean the GP practice moving from its current site and into a new building, potentially shared with other GP practices. It is expected that the current GP practice sites, once empty, would need to close.
- 1.5 While the original funding application was to build up to five health centres, there is currently no shortlist of locations for the centre in the city centre yet and therefore this was not part of the recent consultation (see section 3 below). When and if there is a proposal for a City Centre hub, SYICB will bring forward more detail accordingly.

What do we need in the city?

- 1.6 The city needs more clinical staff, more accessible and higher quality GP and diagnostic services, and better premises and technology. There is a chronic shortage of GPs in the UK and a growing population in Sheffield.

It is expected building new health centres will attract more clinical staff as doctors and nurses want to work in modern more spacious buildings and will have room to train other staff. GPs themselves are often put off by the risks attached to taking on ownership of buildings that are not fit for purpose and are already outdated – this ultimately leads to fewer GPs being prepared to work in areas where there are insufficient suitable buildings.

- 1.7 As well as encouraging more GPs and clinical staff, the proposal is expected to improve outcomes and patient experience. A number of GP premises in these areas are more than 50 years old. Many are too small to deliver medicine in the 21st century or to benefit from the latest advancements in healthcare and in technology. Waiting rooms are cramped, they lack enough consultation rooms and space for other services which could help improve people's health. The new health centres will do more for patients on one site, increasing access to services and ultimately improving people's health.
- 1.8 It is considered that the best way to support people and improve their health is to bring services together and wrap them around patients in these new health centres, keeping them well, independent, and out of hospital. This is the approach supported by NHS England and which has therefore underpinned the development of the proposals so far.

How can the Council support?

- 1.9 There are restrictions on the SY ICB which mean they are not allowed to own capital assets (restrictions on SY ICB ownership powers related to the HM Treasury / NHS England funding award) therefore the proposal is that the Council partner with the SY ICB to take on delivery of the capital schemes and the ownership of the assets long term. In order to do this, the proposal is that the Council enters into a Section 2 Funding Agreement with NHS England for a period of 60 years (considered the useful life of the new facilities) whereby the NHS will fund all costs associated with the development including construction costs, professional fees, any costs associated with property acquisitions and the market value of the development sites.
- 1.10 The Council would then grant a Tenant Internal Repairing 25-year lease at a peppercorn rent directly to the GP practices and would recover any building management costs via a service charge.

How would this work?

- 1.11 There are tight time constraints on this project which the SY ICB have to work within to secure the investment in the city. NHS South Yorkshire's draft decision making business case (known as the DMBC) for the proposed new GP health centres has been produced and has been published ahead of a final decision being made in January.
- 1.12 In order for the business case to be approved by NHSE, the Strategy and

Resources Committee is asked to approve the recommendations made in this report, that the Council enter into the appropriate agreement with the SY ICB to act as delivery partner and as landlord and owner of the assets on behalf of health.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The Health and Wellbeing Strategy [Sheffield Joint Health & Wellbeing Strategy \(arccgis.com\)](#) ambition 7 is that everyone has equitable access to care and support shaped around them. Fundamental to this is accessible primary care. The purpose of the scheme is to maximise the sustainability of the city's high quality primary care provision in a difficult operating environment. The scheme has been designed with, and shaped by, local primary care clinicians, with extensive consultation with the public and through the Health Scrutiny Sub Committee and Local Elected Members.

This proposed collaboration between Sheffield City Council and Health will help ensure that people get the right interventions at the earliest opportunity to support them to remain independent, safe, and well.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 In March 2022 there was some pre-consultation engagement, SCCG, working with GP practices, decided to explore what this would mean for practices and their patients so held an engagement exercise for 9 weeks starting on 14 March 2022 and ending on 15 May 2022. During this time, engagement was held patients to find out what they thought about the proposed new health centres and to help develop the plans. Some practices decided to withdraw from the proposed schemes following the feedback received from their patients.
- 3.2 Following the pre-consultation engagement, the findings were documented into a Pre-Consultation Business Case (PCBC) by Sheffield CCG, which included the following documents to seek moving to formal public and patient consultation:
- Pre-Consultation Engagement Report
 - Pre-Consultation Equalities Impact Assessment (EIA)
 - Consultation Plan
 - Consultation Document.
- 3.3 The PCBC was presented to the Health Scrutiny Sub-Committee (HSSC) on 21 June 2022 for consideration and comment. The HSSC comments were presented, along with the PCBC to SCCG Primary Care Commissioning Committee (PCCC) on 23 June 2022. The PCCC, on 23 June 2022 approved the progression to public consultation as set out in the Consultation Plan.

- 3.4 SY ICB undertook a 10-week consultation exercise from 9th August 2022 to 10th October 2022 to consult on the proposal to relocate GP practices in Sheffield across the 2 PCN's (SAPA and Foundry), to new health centres (Hubs).
- 3.5 This consultation can be viewed on the following links:
- [Have your say on Sheffield GPs' plans to move into new buildings :: South Yorkshire ICB](#)
 - [Proposal to relocate nine GP practices to new health centres in Sheffield :: South Yorkshire ICB](#)
- 3.6 Over 1,900 people responded to the survey, 200 people at public meetings, and 65 through emails and telephone calls.
- 3.7 A Consultation Report covering all proposed health centre proposals was produced in October 2022, along with an individual hub proposal EIA (a Post-Consultation EIA).
- 3.8 The outcome of the consultation was reported to the Health Scrutiny Sub-Committee on 23.11.22 See link below:
- [Draft Protocol for Cabinet Reports \(sheffield.gov.uk\)](#)
- 3.9 The HSSC comments are being considered by the SY ICB Place Team to be incorporated into an NHS Decision-Making Business Case (DMBC) which will go to the Integrated Care Board (ICB) at their next meeting on 4th January 2023.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 The SY ICB have undertaken a robust equalities impact assessment and the Council has reviewed this to ensure that it is satisfied that this has properly considered the impact of the proposals. Further EIAs will be undertaken on each specific scheme/development as this is brought through the Council's Capital Approval process. Where it is felt necessary, the Council may undertake its own EIA however it is expected that the SY ICB will lead on this for each scheme.

4.2 Financial and Commercial Implications

- 4.2.1 All capital for developments including acquisition costs, construction costs, premiums for development sites, professional fees, etc will be funded by NHS England (NHSE) STP Wave 4b capital.
- 4.2.2 The Council will arrange for the rectification of any design or construction defects and will rely on its contractual arrangements with the main contractor (and design team) to do so.
- 4.2.3 The Council will own (as Landlord) the newly developed assets and provide a facilities management service, re-charging tenants a full cost recovery service charge for use of premises.
- 4.2.4 The SY ICB has confirmed that the Council will not be financially disadvantaged as a result of any period during which the Healthcare Space is not being used by a nominated provider – both within the initial 25 year lease period, and any period thereafter up to 60 years.
- 4.2.5 Negotiations are underway on the remaining terms, including any provisions which may apply in the event that the Council is unable to meet the delivery deadlines of the funder - We understand that the delivery requirements are expected to be that the grant agreement must be entered in to and the money transferred by the end of March 2024 with project completion to be achieved by March 2025.

4.3 **Legal Implications**

- 4.3.1 The Council has a number of relevant powers and duties that permit it to accept the funding from NHS England and to agree to be the SYICB's delivery partner should it wish to do so.
- 4.3.2 Under s2B(1) NHS Act 2006 (Functions of local authorities and Secretary of State as to improvement of public health), each local authority must take such steps as it considers appropriate for improving the health of the people in its area. Although this is about public health more generally rather than any responsibility for clinical delivery, steps under s2B(2) can include, amongst other things:
- providing services or facilities designed to promote healthy living;
 - providing services or facilities for the prevention, diagnosis or treatment of illness; and
 - making available the services of any person or any facilities as long as the local authority considers those steps appropriate for improving the health of the people in its area.
- 4.3.3 Under s6 of the Care Act 2014 (Co-operating generally) local authorities must co-operate with each of their relevant partners in the exercise of
- (a) their respective functions relating to adults with needs for care and support,
 - (b) their respective functions relating to carers, and
 - (c) functions of theirs the exercise of which is relevant to functions referred to in paragraph (a) or (b).

- 4.3.4 The Council has a duty under s116B [Local Government and Public Involvement in Health Act 2007](#) to, in exercising any functions, have regard to any joint local health and wellbeing strategy prepared under [section 116A](#) . Ambition 7 of the Sheffield Joint Health & Wellbeing Strategy is that everyone has equitable access to care and support shaped around them.
- 4.3.5 Under s111 of the Local Government Act 1972 the local authority also has power to do anything whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.
- 4.3.6 The Council no longer has a general power to do anything they consider likely to promote or improve the economic, social and environmental well-being of their area, which it is believed that the proposals in this Report would do. However, should the argument be made that the specific powers above do not specifically permit the Council to take the action outlined then the Local Authority could seek to rely on the General Power of Competence in s1 of the Localism Act 2011.
- 4.3.7 If the Council agrees to accept the funding from NHS England and to be the delivery partner for the SYICB then it will take on certain responsibilities under those agreements. SYICB and NHS England have indicated that the NHS England funding will cover all costs associated with the development including construction costs, professional fees, any costs associated with property acquisitions and the market value of the development sites. However, the Council will be responsible for its own actions and that of its contractors. By way of example, as outlined above in the Financial and Commercial Implications, if there is the need for the rectification of any design or construction defects the Council will be responsible for arranging this and will rely on its contractual arrangements with the main contractor (and design team) to do so. This does involve an element of risk.
- 4.3.8 The Council will also take on responsibilities as landlord and again, although it is intended that the legal arrangements will address the risk of voids, there is an element of risk in taking on these responsibilities.
- 4.3.9 Prior to commencement of the development, Land Registry title checks will need to be undertaken of the identified sites to confirm there are no matters which would inhibit or delay the delivery of the development, such as restrictive covenants or easements affecting the land. Should any such matters be identified then they should be resolvable but there may be an impact on deliverability e.g. in relation to timescales.

4.4 **Climate Implications**

- 4.4.1 Where the Council is delivering any capital programme, we must ensure that climate mitigation opportunities are maximised through the process

in order to fulfil our climate obligations as set out in the 10 Point Plan for Decarbonisation and the Council’s pledge to be a net zero authority by the year 2030.

A full Climate Impact Assessment will be brought forward as the programme develops with each of the final proposals being assessed as part of the capital approval process via Strategy and Resources Committee.

4.5 **Other Implications**

Property Implications

4.5.1 Of the five sites that have been identified as being suitable to deliver the GP hubs, four are located on SCC owned land and are namely:

Centre	Practices interested in moving	Potential location	Branch sites that may close
Foundry 1	Burngreave Surgery Sheffield Medical Centre	Spital Street	Herries Road Surgery Cornerstone Building
Foundry 2	Page Hall Medical Centre Upwell Street Surgery	Rushby Street	
SAPA 1	Firth Park Surgery Shiregreen Medical Centre	Concord Sports Centre	Melrose Surgery
SAPA 2	The Health Care Surgery Buchanan Road Surgery Margetson Surgery	Buchanan Road / Wordsworth Avenue	

4.5.2 The fifth opportunity under consideration is the City Centre Hub which would involve an acquisition and refurbishment of existing commercial premises.

4.5.3 Assessments have been carried out on each site in terms of market valuations, RIBA stage 2 designs of GP Hubs and costings for the development.

4.5.4 Currently the total project costs including the potential acquisition for the city centre hub will exceed the overall project budget. It is envisaged that only 3 or 4 of the projects will proceed and this will be informed in part by the consultation exercise.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Do nothing and do not build the new health centres. However, this funding from Government is an opportunity to improve health care facilities for local people.

5.2 Other locations were considered but these were discounted either at feasibility stage or in consultation with GP practices.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The funding that is being made available presents an opportunity to improve facilities for local people that may not present itself again in the foreseeable future.
- 6.2 The proposals set out in this Report secure the funding for Sheffield and ensure that the buildings it funds remain in public ownership.
- 6.3 The proposals set out in this report support the delivery of the City's Health and Wellbeing Strategy – specifically with regard to ensuring the availability of appropriate and accessible health and care.

Close of Report

This page is intentionally left blank