

Decision Report - Executive Decision

Forward Plan Reference: FP/23/02/05

Decision Date - 27/02/23



Somerset Academy for Health and Social Care.

Executive Member(s): Cllr Ros Wyke - Lead Member for Development and Assets and Cllr Heather Shearer – Lead Member for Adult Social Care

Local Member(s) and Division: Cllr Leigh Redman and Cllr Hilary Bunce

Lead Officer: Doug Bamsey – Deputy Chief Executive

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1. Summary / Background

- 1.1.** This paper is being brought before Somerset County Councils Executive to secure support and the authority to progress the delivery of the Somerset Academy for Health and Social Care in line with the successful Bridgwater and West Somerset Constituency Levelling Up bid which secured £19.7 million of investment into Somerset.
- 1.2.** The delivery of the Somerset Academy for Health and Social Care scheme will support the under resourced health and social care sector providing a larger and more highly skilled workforce. It will also future proof the sector as demand rises exponentially due to Somersets aging population. The scheme will also bring back into use a significantly dilapidated site providing substantial associated economic benefits related to large scale Town Centre regeneration.

2. Recommendations

2.1. The Executive is recommended to endorse:

- **The entering of an MoU by Sedgemoor District Council (in its current role as Lead Authority ahead of the move to the new Somerset Council) with the Department of Levelling Up Housing and Community (DLUHC).**

The Executive is recommended to authorise:

- **The exercising of an options agreement to purchase the former Bridgwater Hospital site at the appropriate time to enable the**

delivery of the Somerset Academy for Health and Social Care, delegating authority to the Strategic Manager – Estates (in consultation with officers from the legal services function) to execute the purchase transaction.

- **The commencement of procurement exercises to select suppliers for pre-construction and design works to the former Bridgwater Hospital site, delegating authority to the Somerset Council Executive Director, Climate and Place (in consultation with the Executive Director, Resources) to award such contracts.**
- **S24 consent in relation to the delivery of the Somerset Academy for Health and Social Care.**
- **That Appendix 2 and Appendix 4 be treated in confidence, as the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information.**
- **The exclusion of the press and public from the meeting where there is any discussion at the meeting regarding exempt or confidential information (Appendix A)**

The Executive is recommended to delegate:

Responsibility for future decisions associated with the delivery of the wider scheme to the Lead Members for Development and Assets and Adult Social Care.

3. Reasons for recommendations

- 3.1.** To meet the deadline for returning the signed MoU to DLUHC (end of February) so the first tranche of funding (and subsequent phases totalling £19,7m) can be drawn down in March so delivery of the scheme can begin. Failure to meet this deadline will mean funding cannot be drawn down until later in the year putting pressure on the ability to meet the delivery and spend timeframes set by Government.
- 3.2.** Exercising the option agreement to purchase the site is the first stage in being able to realise the creation of the Somerset Academy for Health and Social Care and will enable design, planning and ultimately delivery of the scheme.

- 3.3.** To realise the outputs associated with the delivery of this scheme as followed: -
- A dilapidated historic building saved and restored.
 - 2,270m² of health and education/training space created.
 - 860m² of new key worker/trainee accommodation created.
 - 400m² of commercial office/tech-business space created.
 - Town Centre place-making and public realm improvements
 - Delivery of strategic flood risk infrastructure.
- 3.4.** To realise the following outcomes: -
- Improved health and wellbeing for local residents across Somerset.
 - Improved skills and a more effective labour market.
 - Increased business investment in digital activity linked with healthcare and inward investment.
 - Direct and indirect employment.
 - Increased town centre footfall and associated economic benefits for local businesses.
 - Thousands of homes and businesses in Bridgwater and the surround area protected from future flood risk.
- 3.5.** It should be noted that the above outcomes directly address the following issues associated with the Health and Care Sector: -
- A significantly under resourced sector.
 - High churn rates of staff due to limited carer pathways and investment in training.
 - A reliance on agency staff which is costly and impacts on wider budgets for care providers.
 - Support the NHS by alleviating bed blocking by allowing more individuals to return home and receive care. This is based on a larger and higher skilled workforce as a result of the Academy.
 - By 2035 the sector will need to increase by 40% which equates to an additional circa 9000 staff, which this scheme can go some way to addressing.
- 3.6.** Appendix 2 and 4 are considered exempt on the basis that they could impact negatively on occupier and contractor negotiations respectively for the Academy in the future.

4. Other options considered

- 4.1.** The alternative option is for the Executive Committee to not support and endorse the work to date undertaken in relation to the Academy for Health and Social Care and not choose to exercise the option agreement for the purchase of the site. This option should be rejected on the basis that it would mean £19.7m of investment into Somerset would be lost and the outputs and outcomes outlined earlier in this report would not be realised. It would also mean that the Health and Social Care sector would remain in its current position and would not be fit for purpose in the future.

5. Links to County Vision, Business Plan and Medium-Term Financial Strategy

- 5.1.** The recommendations in this report support the vision and a number of the priorities set out in the Council Plan for Somerset Council. In particular, paragraph 9.3 below sets out how the recommendations support the Council Plan priority to create a Greener, More Sustainable Somerset; paragraph 9.5 summarises how the recommendations will support the priority to create a Healthy and Caring Somerset; paragraphs 11.3 and 11.4 summarise how the recommendations support the priority to create a Flourishing and Resilient Somerset.

6. Consultations and co-production

- 6.1.** Consultation is a core element of a successful funding application to Government and as outlined in this report the development of the bid enabled consultation and engagement with a wide range of partners across a range of sectors including Health and Social Care, the Education sector and the Private sector. Further evidence of the scale of the consultation associated with this scheme to date is outlined in appendix 1.

7. Financial and Risk Implications

- 7.1.** By endorsing and supporting the signing of the MoU between Sedgemoor District Council and DLUHC, the new Somerset Council will post vesting day become the Lead Authority required to deliver the associated outputs and outcomes related to the creation of the Somerset Academy for Health and Social Care. The new Somerset Council will draw down the sum total of £19.7m over the following 18

months to facilitate the development of the Academy, and in its role as Lead Authority will need to be accountable for the spend ensuring it meets the criteria set out in the MoU.

- 7.2.** Government/DLUHC have confirmed that the Lead Authority will be liable for any capital cost overruns associated with the delivery of the scheme. This is standard practice for Government funded projects, however the Executive Committee should note that mitigations are already in place to avoid future liabilities. These mitigations are outlined in the risk section of the report.
- 7.3.** This report recognises that there are revenue implications for maintaining and running of the Academy for Health and Social Care and these have been addressed in the Operating Plan (see appendix 2).

In brief though based on the work undertaken to develop the operating plan it is expected that the facility will at the very least break even and has a significant potential to provide a positive net surplus for the new Somerset Council and its partners.

- 7.4.** It is recognised that income associated with property from a rental perspective requires occupiers to take space within the facility. Partners who have developed the bid over the past 12 – 18 months have expressed significant interest in letting space and Sedgemoor District Councils Estates Lead is currently in conversation with them to secure agreements in principle for occupation within the Academy ahead of the build phase. This work will be taken forward through the transition period to the new council by the Service Director – Strategic Asset Management.

The Executive Committee should note that this is a similar approach to a large proportion of Somerset County Councils recently developed current commercial property, for example the Enterprise Centres and its Innovation Centres, all of which develop a pipeline of interest during the build phase. The Academy for Health and Social Care differs slightly though as organisations that are expected to take up space have developed the scheme from the outset and will be working in partnership as part of the project delivery board to deliver the scheme.

- 7.5.** The key risks for the new Council and associated mitigations are as follows:

Risk - Capital cost overrun due to a lack of sufficient budget, unanticipated costs emerging during the construction phase, and / or inflationary pressures impacting on build costs.

Mitigations –

- Chartered Quantity Surveyors have been commissioned to develop costings (see appendix 4) as part of the bid taking into consideration the condition of the building and the latest available market data to inform cost projections.
- Contingency and inflation mitigation has been included in the funding request.
- Ongoing reviews of costs and inflation projections will be undertaken by during the pre-construction phase to update cost projections with the latest available information. Any material adverse change to projections following these reviews will be addressed through value engineering options during design and feasibility work and delivery contractor conversations.

Likelihood	2	Impact	3	Risk Score	6
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Risk – Viability of facility post build.

Mitigations –

- Operating plan already developed (see appendix 2) which shows the facility ability to at least break even but with the potential to generate positive net surplus.
- Stress testing through different scenarios for occupation have taken place showing flexibility in operating model.
- Extensive stakeholder engagement has identified a core group of occupiers.
- Verbal confirmation that key partner will occupy site.
- Estate Lead is in conversation with core group of potential occupiers to secure in principle agreements ahead of build as their requirements will feed into the design of the facility.
- Training revenue within operating plan is considered conservative based on cost per head and number of training interventions delivered per year.

Likelihood	2	Impact	4	Risk Score	8
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8. Legal and HR Implications

- 8.1.** This paper is seeking support from Somerset County Councils Executive to start the delivery of the scheme. At this point in time there are no commissioning or procurement requirements, however as the scheme moves forward this will change and support from Legal and Procurement will be required.

It should be noted that Sedgemoor District Council will be entering into an MoU with DLUHC in its role as Lead Authority and that MoU will be reviewed by Sedgemoor District Council Legal team to ensure it is satisfactory before signing. This agreement will at the point the new Somerset Council comes into existence will be novated across to the new Authority.

- 8.2.** There are no HR implications directly associated with this decision, noting that the facility, once constructed, will have a positive impact on the workforce in the Health and Care section.

9. Other Implications

9.1. Equalities Implications

This paper relates to the ratification of work to date undertaken by Sedgemoor District Council and partners (inclusive of a range of Somerset County Council Officers) and to provide an understanding to Executive Members in terms of the next steps associated with the delivery of the Somerset Academy for Health and Social Care. As such there is not a requirement for an Equality Impact Assessment as this would be developed as part of the delivery programme, however an assessment was produced as part of the bid and can be found in appendix 3.

9.2. Community Safety Implications

The Academy for Health and Social Care main site at the former Bridgwater Hospital is currently a magnet for anti-social behaviour. The type of activity includes vandalism, street drinking, drug abuse and drug dealing. By regenerating the site and facilitating significant activity associated with the new use of the building this will deter those individuals from participating in the afore mentioned activity, thus making the centre of Bridgwater a safer and more appealing place to visit.

This will have a positive impact on residents in the vicinity quality of life and general wellbeing.

The scheme will integrate closely with the Bridgwater Town Deal Town Wardens Project who are tasked with addressing anti-social behaviour in Bridgwater. Wardens will be able to support the individuals taking part in the activity outlined above and provide them with holistic support to address their situation.

9.3. Sustainability Implications

The scheme will address sustainability in the following ways: -

- The wider Levelling Up Fund Bid set out an allocation of £2m towards the Bridgwater Tidal Barrier which will mitigate against climate change and rising water by protecting Bridgwater and the surrounding area. The £2m is part of the total £127m funding package and not drawing down the Levelling Up Fund funding would mean the new Somerset Authority would need find a further £2m towards the partnership contribution.
- The main Academy site at the Former Bridgwater Hospital will be heated through ground source heating which reduces the requirement for fossil fuels and the production of CO₂. PV has also been built into the scheme for the same reasons. The total allocation has been costed by a Chartered Quantity Surveyor with a significant allocation of over £1m.
- The main site will promote the use of sustainable low carbon transport on the basis that it is positioned very close to Bridgwater Station and is connected via a range of walking and cycling infrastructure. Further investment via the Bridgwater Town Deal and Public Health funding will develop this infrastructure further with investment totalling millions of pounds.

9.4. Health and Safety Implications

The delivery of the Somerset Academy for Health and Social Care will inevitably have Health and Safety risk on the basis that it is a construction project. As this paper is looking for endorsement to move forward with the scheme this is not something that needs to be considered immediately, however at the appropriate time the relevant Officers will be consulted on best practice to ensure Health and Safety rules and regulations are followed.

9.5. Health and Wellbeing Implications

The delivery of the Academy for Health and Social Care will provide a step change in health and wellbeing in Somerset once the scheme is operational. In relation to the Health and Wellbeing priorities outlined below the scheme will:

- Have a positive impact on health and wellbeing of residents of Somerset through its ability to provide greater resources into the sector and also a higher level of training ensuring the services delivered are of a higher standard.
- Impact in a positive way on ill health through individuals having greater access to support. This will be in the form of early intervention due a more people delivering services across the full range of health and social care services.
- Reduce health and social inequality as per the aim of the Academy for Health and Social Care.

The Academy for Health and Social Care will increase resources across the whole sector from Childrens through to Adults and, therefore it is fair to say that it will support the whole population of Somerset from a Health and Wellbeing perspective.

9.6. Social Value

With any Central Government funding there is a requirement to leverage additional Social Value from the investment. It is good practice to report this back to Government as part of the monitoring and evaluation so this will sit at the core of the project through the following approaches: -

- During the build where possible procure local contractors to ensure that Government funding is channelled through the local economy.
- Build Local Labour Agreements into the planning process to enable local people to access employment and skills opportunities including jobs, training and apprenticeships.
- Employ the TOMS (Themes, Outcomes and Measures) social value framework to ensure that as much social value as possible is leveraged through the £19.7m investment.

10. Scrutiny comments / recommendations

- 10.1.** The proposed decision has not been considered by Scrutiny directly although the Chair of Scrutiny has been approached to secure general exemption due to the short timeframe by which sign off from the Executive Committee is required.

11. Background

- 11.1.** The £4.8bn Levelling Up Fund for investment in infrastructure was announced in the 2021 Budget intended to be rolled out over 4 years (21/22 to 24/25). Bids into the fund were for up to £20m of capital to deliver schemes linked with Town Centre Regeneration, Transport Investment and Cultural Investment (inclusive of heritage).
- 11.2.** On the 28th July 2022 following 12 – 18 months of development Sedgemoor District Council submitted its round 2 Levelling Up Fund Bid to Government. 6 months later on the 19th January the bid was approved by the Department for Levelling Up Housing and Communities and an allocation of £19.7m was announced.
- 11.3.** The approved bid "The Somerset Academy for Health and Social Care" targeted two of the three themes of the Levelling Up Fund as follows: -
- Town Centre Regeneration – the derelict former Bridgwater Hospital site located in the centre of Bridgwater was sold by the NHS to a private developer circa 8 years ago. In that time it has become an eyesore which sits at a key gateway into the town centre. Investment will bring it back into use, whilst complementing circa £8.5m Bridgwater Town Deal investment in public realm improvements along Eastover and Salmon Parade where the former Bridgwater Hospital site is positioned.
 - Cultural investment (inclusive of heritage assets) – The former Bridgwater Hospital frontage is Grade 2 listed and dates back to 1865. Investment from the Levelling Up Fund will secure the future of this historic building and breath life back into one of the Towns most significant heritage assets.
- 11.4.** The Academy for Health and Social Care bid was elevated above other town centre regeneration schemes through the outputs and outcomes

linked to the Health and Social Care sector as outlined in section 3 of this report. To sum up the facility will support a significantly under resourced sector through providing upwards of 3000 training interventions for new and existing staff, alongside creating a test bed for new health and care related technology that would ultimately be rolled out across the County.

11.5. The bid is made up of 3 core elements as follows: -

- The regeneration of the Former Bridgwater Hospital to create the main site for the Academy for Health and Social Care (inclusive of key worker accommodation).
- The repurposing of the Sea Horse Centre in Minehead as a satellite site to the main facility in Bridgwater extending its reach into West Somerset which has traditionally suffered from training accessibility issues due to the extent of its rurality.
- A contribution to the Bridgwater Tidal Barrier scheme with a recognition that once complete it will secure the main site from the impact of climate change and rising sea levels.

11.6. A strong partnership sits at the core of the success of this bid to Government. Partners involved include: -

- Somerset County Council (Adult and Children's Social Care)
- Public Health Somerset
- Somerset NHS Trust
- Integrated Care Board
- The Somerset Association of Care Providers
- Bridgwater and Taunton College
- University of West of England
- Innovate UK
- Somerset West and Taunton Council

11.7. Through the partnership the following aims were developed that will underpin the success of the Academy:

- Enhance skill levels and professionalise the care sector through clear career progression.
- Link service delivery to skills and business innovation creating a learning culture and networking opportunities.
- Tackle health inequalities through improved capacity in the care sector.

- 11.8.** Confidence in the bid was enhanced through an options agreement which was entered into with the owner of the main site. 3 partners, Sedgemoor District Council, Somerset County Council and the Integrated Care Board provided a funding contribution to secure the building to provide Government with certainty of delivery. This approach also solidified the partnership approach in Governments eyes.
- 11.9.** The finished bid was submitted on the 28th July 2022, however work continued to develop the operating plan (see appendix 2). As per section 7 which has highlighted the Academy at the very least will break even and has the potential to generate net positive surplus.

The operating plan also set out the preferred governance model for the Academy which has been shared with the Chief Executives of Somerset County Council, Somerset NHS Trust and the ICB. Principles of the governance model garnered support, but it was recognised during the meeting that further input from all partners is required to finalise the model.

12. Background Papers

- 12.1.** N/A

13. Appendix List

- Appendix 1 – Evidence of consultation related to bid.
- Appendix 2 – Exempt
- Appendix 3 – Equality Impact Assessment.
- Appendix 4 - Exempt

Report Sign-Off

		Date completed
Legal Implications	Honor Clarke	15/02/23
Governance	Scott Wooldridge	15/02/23
Corporate Finance	Jason Vaughan	15/02/23
Customers, Digital and Workforce	Chris Squire	15/02/23
Property	Paula Hewitt / Oliver Woodhams	15/02/23
Procurement	Claire Griffiths	
Senior Manager	Oliver Woodhams	17/02/23
Commissioning Development	Sunita Mills / Ryszard Rusinek	
Executive Member	Cllr Ros Wyke - Lead Member for Development and Assets	15/02/23
Executive Member	Cllr Heather Shearer - Lead Member for Adult Social Care	15/02/23
<u>Sign-off Key Decision / Consulted on Non-Key Decision</u>		
Local Member		N/A
Opposition Spokesperson	Opposition Spokesperson - Development & Assets - Cllr Bob Filmer	
Opposition Spokesperson	Opposition Spokesperson - Adult Social Care - Cllr Sue Osborne	
Scrutiny Chair		