

20 February 2017

Agenda Item: 8b

**REPORT OF SERVICE DIRECTOR ENVIRONMENT, TRANSPORT &
PROPERTY**

74 MIDDLE STREET, BEESTON - LEASE OUT OF PART

Purpose of the Report

1. To seek approval to the granting of a lease of part of 74 Middle Street, Beeston to the Beeston Community Resource Charitable Incorporated Organisation (BCRCIO).

Information and Advice

2. The site on Middle Street in Beeston, as outlined in black on the attached plan, was purchased by the County Council in 1970 from Beeston & Stapleford Urban District Council for the purpose of building and operating a 'Psychiatric Day Centre'. Construction of the new building was completed in 1972 and a day centre with a mental health focus has operated on the site since that time.
3. The day service for people with mental illness integrated into the former Barncroft Centre (Sunnyside Road, Chilwell) to form the Broxtowe Day Service in 2013. After refurbishment of the Middle Street building, it was used as a base both for day service activities and for the operation of Mental Health Co-production.
4. From March 2014, the day service ceased to operate from the Middle Street base as it became more efficient to concentrate staffing and activities at the main day service site in Chilwell. As part of the day service savings programme agreed by Full Council in February 2014, it was agreed that the day service would release the Middle Street building-related budgets as a recurrent saving, since the service had no further use for the building.
5. The office accommodation within Middle Street is still required and is used under a four year Licence dated 4 May 2015, by the Community Mental Health Team (CMHT), which has relocated staff from the NHS property in Beeston known as the Hope Centre. However, the remainder of Middle Street is surplus and therefore, in line with the 'Redefining Your Council', the County Council has sought to collaborate and partner with charitable trusts and voluntary organisations to provide care and support to those who need it.
6. On this basis, in line with a Service Level Agreement, the County Council granted a licence to occupy to BCRCIO in March 2015, to enable them to occupy the non-office accommodation and to make the Centre available for use by the existing mental health service users. No other groups were approached to be given this opportunity as the BCRCIO were acknowledged as representing the existing users of this facility.

7. The basis for this licence was to provide short term occupation to BCRCIO free of any charges to enable them to manage the income from their part of the centre to prove that it would in future years be viable for them to contribute to the running costs. During this period, BCRCIO were expected to:
 - generate sufficient new income to show that they would be able to cover the on-going costs of their proportion (72%) of the building in future, by hiring out rooms to external organisations and submitting successful funding bids for grants;
 - meet the outcomes specified in the Service Level Agreement;
 - adhere to the terms and conditions detailed in the Licence to occupy.
8. The total budget for building-related expenses at Middle Street for 2016/17 is forecast to be approximately £43,500. BCRCIO have demonstrated that they have the finances to contribute their proportion of these costs. They are also meeting the outcomes specified in the Service Level Agreement and adhering to the terms of the licence to occupy. Consequently, negotiations have taken place to grant a longer term lease to BCRCIO on terms as set out in the exempt appendix.
9. The proposed lease represents a transfer at less than best value, as defined by s123 Local Government Act 1972. The estimated market rent for the lease is in the region of £40,000 pa. Paragraph 20.3.6.1 of the Council's Financial Regulations provide that, where only one party is interested or is to be invited to submit a signed contract, the Service Director, Transport, Property and Environment, in consultation with the Chairman of Finance and Property Committee shall take a decision after discussing the circumstances with the Group Manager for Legal Services and the Section 151 Officer.
10. The circumstances which permit the Authority to depart from the requirement to achieve best value are contained in the General Consent Order [The Local Government Act 1972: General Disposal Consent (England 2003)]. The Order lays down no specific process, but simply requires that the following matters are considered:-
 - i. The local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
 - The promotion or improvement of economic well-being;
 - The promotion or improvement of social well-being;
 - The promotion or improvement of environmental well-being;
 - and;
 - ii. The difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

11. **This proposal satisfies Paragraph 14**, economic and social well-being and is less than £2,000,000. BCRCIO's aims are consistent with Nottinghamshire County Council's Strategic Plan Priority 4 'Providing Care and Promoting Health', and with the proposed strategic priorities in the 'No Health without Mental Health, Nottinghamshire's Mental Health Framework for Action (2014 – 2017)'. The Adult Social Care Strategy also supports this development as it emphasises that "we must focus resources on support that prevents delays and reduces the need for care and support.... we will expect to share responsibility with individuals, families and communities to maintain their health and independence".

Other Options Considered

12. Other options considered include:
- a) selling the whole site - this option will provide a capital receipt but all current beneficial community activity will cease and the office accommodation for the CMHT staff will need to be provided elsewhere, at a cost to the Council; or
 - b) use the whole building for office accommodation - this option will still require building running costs to be met by the Council but beneficial community activity will cease. To convert the remainder of the building into office space will require considerable additional capital expenditure.

Reason/s for Recommendation/s

13. The granting of a lease of part to BCRCIO, in which they cover all costs relating to their occupancy, reduces the County Council's financial liability whilst at the same time supporting the County Council's new approach to delivering services to local people through innovative service models.

Statutory and Policy Implications

14. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

15. The financial implications are that the current budget for building-related expenses at Middle Street shall be retained by Adults South hierarchy, who will receive BCRCIO's contribution towards the running costs of the building.

Human Resources Implications

16. Monitoring work will need to be undertaken by an Officer from the ASCH & PP Department. Corporate Property and a member of the CMHT will be involved in joint meetings with BCRCIO to ensure effective operation of the Middle Street building. Current staff management of the caretaker and cleaner will continue.

Public Sector Equality Duty Implications

17. The implications of this recommendation are that activities to deliver social benefit and emotional well-being will continue to be provided and expanded at Middle Street, for people with mental illness or distress, and anyone who is experiencing social exclusion for any reason or requires assistance in developing the capacity and skills to overcome social disadvantage. There is no Equality Impact Assessment as this proposal does not produce any identified negative impacts on people with disabilities.

Implications for Service Users

18. The recommended proposal will ensure that anyone in the local community who is suffering from mental illness or distress, is experiencing social exclusion for any reason or requires assistance in developing the capacity and skills to overcome social disadvantage will continue to be welcome at Middle Street. BCRCIO have made Middle Street available to serve a wide range of community activities and interests. This maximises its usefulness for the local community in general, but also provides additional opportunities for activities across a wide spectrum of participants, encouraging social interaction and helping to dispel the stigma which often attaches to disability and social isolation.

Implications for Sustainability and the Environment

19. This proposal sets in place an arrangement which aims to improve the financial sustainability of the Middle Street building.

Ways of Working Implications

20. The CMHT will be able to continue to occupy the office accommodation at Middle Street, which is more appropriate than their previous accommodation at the Hope Centre.

RECOMMENDATION/S

- 1) That approval is given to the granting of a lease to BCRCIO to occupy part of the former Middle Street Day Centre on the basis outlined in the report and exempt appendix.

Jas Hundal
Service Director – Environment Transport & Property

For any enquiries about this report please contact: Brian Hoyle 0115 9772479

Constitutional Comments (EP 30/01/2017)

21. The recommendation falls within the remit of the Finance and Property Committee by virtue of its terms of reference.

Financial Comments (GB 08/02/2017)

22. The financial implications are set out in the report.

Background Papers and Published Documents

23. Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- 74 Middle Street, Beeston – Licence to Community Mental Health Team, Operational Decision (OP/2015/00020), dated 28 April 2015.
- Report on Middle Street to Finance and Property Committee, approved 23rd March 2015.
- Annual Budget Report 2014/15 Appendix C, approved by Full Council on 27th February 2014.
- Nottinghamshire County Council's Strategic Plan, 2014 – 2018.
- 'No Health without Mental Health – Nottinghamshire's Mental Health Framework for Action, approved by the Health and Wellbeing Board meeting held on 3 September 2014.
- Adult Social Care Strategy, approved at the Full Council meeting held on 27 March 2014.
- Redefining Your Council strategy - approved at the Policy Committee meeting held on 7th May 2014.

Electoral Division(s) and Member(s) Affected

24. Ward(s): Beeston South and Attenborough
Member(s): Councillor Kate Foale

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SP: 3187
Properties affected: 06164 - Beeston Day Services