

**Manchester City Council
Report for Resolution**

Report to: Executive – 8 March 2017

Subject: The Development of an Integrated Hub in Gorton

Report of: Strategic Director (Development) and Joint Director, Health and Social Care Integration

Summary

The integration of health and social care in Manchester will include the creation of 12 collocated and integrated health and social care teams across the city. Gorton has been identified as an area of the city with a deficit in health provision and particularly poor health outcomes. In order to help address this it is proposed that an Integrated Hub will be developed in the heart of Gorton District Centre which will bring together primary care, social care and community care staff together with staff from One Manchester, Job Centre Plus and the reprovision of the local library. This unique integration of public services will provide not just better outcomes for the residents of Gorton but will help to have a regenerative impact on an area of the City that needs it.

Recommendations

The Executive is recommended to:

1. Note the progress of the development of an Integrated Hub in Gorton and how this provides an exemplar for integrated working across Greater Manchester.
2. Note that the proposed construction of the Integrated Hub has been included as a priority project in the 2017/8 – 2021/2 Capital Programme.
3. Delegate to the Treasurer, in consultation with the Executive Member for Finance and Human Resources, and subject to securing the formal approval of each of the partners to progressing with the scheme, approval to the Council funding progressing the project to RIBA stage 3 pending the outcome of a funding bid to One Public Estate.
4. Approve the further development of the Gorton Integrated Hub and delegate to the Strategic Director, Development, the Joint Director, Health and Social Care Integration and the Treasurer in consultation with the Deputy Leader and the Executive Members for Adult Health and Well Being and Finance and Human Resources the necessary approvals to take the project to RIBA stage 3 at which point a further report will be presented to Executive.

Wards Affected: - Gorton North, Gorton South

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	An integrated hub in Gorton will provide an opportunity for supporting a poorly functioning district centre in one of the most deprived areas of the City.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The bringing together of key organisations responsible for tackling worklessness and low skills will have a positive impact in an area of the City that requires it. There will also be opportunities for local job creation in both the construction phase and within the completed building.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	There is also the opportunity through the co-location of public and private uses and new modern meetings rooms to promote collaboration and networking to strengthen the collaboration between organisations and residents, including the community and voluntary sector.
A liveable and low carbon city: a destination of choice to live, visit and work	The replacement of poor energy efficient buildings with a state of the art, modern hub will lead to improved energy efficiency and enable the incorporation of sustainable design features.
A connected city: world class infrastructure and connectivity to drive growth	The location of the proposed hub is in a location that has strong public transport links.

Full details are in the body of the report, along with any implications for

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue – The revenue consequences of the build for MCC Integrated Community Services are cost neutral, but for the library the estimated additional revenue requirement is £116k per annum from 2019/20. To stay in the current accommodation of Gorton Library and Gorton District Office for a further 25 years the estimated whole capital replacement lifecycle costings suggest significant investment would be required over the 25 years which makes the Gorton Hub proposal a much more cost effective option. Given the cost avoidance, funding to meet the £116k per annum gap from 2019/20 will need to be identified from within the Council's property related budgets.

Financial Consequences – Capital – Manchester City Council will provide the capital for the build through a Prudential Borrowing funding solution. The other project partners will become tenants within the facility under long lease arrangements to

provide a risk assurance for MCC. The project requires a capital investment of up to £15.4m (excluding VAT), this reflects the total anticipated spend of the project which will be repaid in full over 25 years through rental charges as the scheme has been approved on a spend to save basis. The invest to save business case is supported by a financial model, the revenue financial consequences of which for each partner will need to be approved by that organisation as part of the sign off before progressing to RIBA stage 3.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Manchester Locality Plan – A Healthier Manchester

1. Background

- 1.1 Manchester's Locality Plan – A Healthier Manchester – seeks to offer a comprehensive approach to addressing the health and care needs of the population as a whole, and therefore requires a transformation programme that establishes a coherent single system to address those needs. One of the three strands of the Locality Plan is the introduction of a Local Care Organisation (LCO) a new approach to the development of developing integrated care models that will scale up activity, through strengthened early intervention and prevention, as well as more pro-active targeting of services to residents with both rising risk and high needs. The first step in the delivery of the LCO is the creation of 12 collocated and integrated health and social care teams across the City.
- 1.2 Gorton has been identified as an ideal location for one of the 12 integrated health and social care teams for a number of reasons. The health estate in this area of Manchester is particularly poor and health outcomes are similarly amongst the worst in the City. The opportunity also exists to bring other public sector partners together in a single facility that will not only provide a blueprint for how public services can provide a more integrated approach to service delivery but also ensure such a development can bring a regenerative benefit to a deprived part of the City.

2. Introduction

- 2.1 The proposals to develop an integrated service hub in Gorton need to be seen in the context of both the wider strategy for health and social care in Greater Manchester and the Our Manchester strategic vision.
- 2.2 As part of the devolution agreement with the Government for Greater Manchester to take charge of health and social care spending and decisions, the Council and its partners are currently in the first year of implementing Manchester's Locality Plan – "A Healthier Manchester". The Plan details the transformation ambition for health care services in the City as part of the Greater Manchester Strategy – Taking Charge of our Health and Social Care. Manchester's Plan is overseen by the Health and Wellbeing Board on behalf of the health and care partners in the City.
- 2.3 The Our Manchester Strategy sets out the ambition for the city for the next ten years – to be thriving, filled with talent, fair, a great place to live, and buzzing with connections. A key priority of the Our Manchester Strategy is radically improving health and care outcomes, through key partners coming together in new ways to transform and integrate services; putting people at the heart of these joined-up services; a greater focus on preventing illness; helping older people to stay independent for longer, and recognising the importance of work as a health outcome and health as a work outcome.
- 2.4 Cultural change in the way people work together will be more important than the simplification and integration of organisations. These changes will reform how Manchester supports more residents to become independent and

resilient, better connected to the assets and networks in places and communities. Public services will be radically reformed so that they are built around citizens and communities rather than organisational silos.

3 An Integrated Hub for Gorton

- 3.1 This report provides an update on the significant partnership work that has been undertaken to date to develop a proposal for an integrated multi-service hub in the heart of Gorton. Gorton is an area where there are significant Health and Care challenges including:-
- A diverse population with high levels of deprivation
 - GP practices with large numbers of elderly patients
 - Large numbers of patients living with Long Term Conditions
 - An under-doctored primary care service with recruitment and retention issues
 - A current health and care estate that is not fit for purpose
- 3.2 A key driver initially for the development of an integrated hub in Gorton was as a result of the area being 'under Doctored' with some residents unable to access a GP. Difficulty in accessing primary care can result in increased attendances to A&E and subsequent increased non-elective admissions. A building with health and care teams within it working alongside GPs would support greater access to primary care and community support.
- 3.3 Discussions with other public service providers identified further opportunities for integration. One Manchester, a local provider of homes and community services, announced that they were seeking to undertake a rationalisation of their office accommodation and agreed that Gorton provided a logical location and unique opportunity to consider investment. The Gorton neighbourhood library requires investment and learning from new models recently developed across the City, including Longsight, Levenshulme and Moss Side, demonstrates that a better, more inclusive offer could be provided within an integrated setting and which would drive up use. Finally, Job Centre Plus as a result of a review of their office provision have expressed an interest in co-locating within the hub to support the closer working of all organisations and to the benefit of local residents.
- 3.4 It quickly became apparent that there was a unique opportunity to develop a bespoke, integrated solution that will provide a base for a wide range of amalgamated health and social care services together with other public services that not only provide a complementary service offer but will mutually support residents being able to access services in a more effective and joined up manner. A new hub based in Gorton would provide the opportunity for co-location of services and synergies with health providers for collaborative work. The biggest opportunity is the regenerative effect a large number of public sector workers and the associated footfall of service users would bring to Gorton District Centre.

- 3.5 The vision that has been developed is for services to be integrated and not just co-located, to improve accessibility and added value for the residents of Gorton, and to ensure that services are provided in the most efficient way. For example, a patient accessing primary care services may have employment issues and can be signposted to DWP or One Manchester for support and guidance. The accommodation will be for the provision of front facing services in addition to back office provision. The hub will also be used to provide accommodation and support for local community groups and the voluntary sector through flexible use and management of the space.
- 3.6 An economic impact assessment was undertaken to understand the positive regenerative impact the development could have on the Gorton neighbourhood. The report identified that a new integrated health, social care and community services hub has the potential to increase the use of education, employability and health and wellbeing services as well as providing a large local employment centre, reinforcing the leisure and retail businesses already located in Gorton. It determined that the Hub will accommodate a very large number of full and part time jobs and will be one of the largest employment centres in East Manchester, providing employment opportunities year after year for local residents. In addition to the number of entry level jobs available, the Community Hub will be an important source of skilled and qualified employment opportunities, particularly in health and care skills.
- 3.7 There will also be considerable impacts generated for the wider area when the Gorton Community Hub is fully operational. These include:
- Increased footfall at the heart of Gorton, with several thousand people using services and spending time at the district centre, helping to increase the viability of other businesses including small locally owner retailers and cafes.
 - Improved public realm, with the Community Hub designed to a high standard and integrated into an enhanced streetscape, with high quality pavements and road crossings.
 - Improved perceptions of the area, with the Community Hub considerably increasing the vibrancy of the District Centre and its importance in terms of the breadth of health and community services.

4 Progress to date

- 4.1 Following detailed development work looking at various site options for the Hub, it was agreed that the existing One Manchester (formally Eastland's Homes), e Office site on Garrett Way would provide the best solution. It is owned by the Council and is well located in the heart of the district centre. The acquisition of the adjacent privately owned Suburban pub will further improve the development potential of the site and this acquisition is progressing. The offices are currently leased to One Manchester who has agreed to relinquish their lease and move out pending the construction of the new development.

- 4.2 The scheme is overseen by the Manchester Strategic estates Group and a Gorton Hub development project team has been set up and determined the requirements for each partner. A vision for the Gorton Hub has been set out: 'To enable Gorton to support opportunities for improving health, wellbeing, literacy, employment, community engagement and quality of life for the growing and changing population. Empowering individuals and families to take pride in and contribute to locality developments that provide sufficient housing and high quality, accessible and coordinated public services, transforming Gorton into a revitalised and more vibrant community that is a better place to live and work.'
- 4.3 Funding has been secured through the One Public Estate transformation fund to commission project management and architectural resources to refine the partner requirements and undertake an initial estates appraisal in order to understand the implications of the development to all partners. This has enabled a design to RIBA stage 2 to be developed to help to start translating the project vision into reality and the subsequent development of an outline business case (OBC).
- 4.4 During March the OBC will be considered by the following partner organisations:
- Central Manchester CCG
 - Central Manchester Foundation Trust
 - One Manchester Board
 - Department of Work and Pensions Board

This report and the OBC will also be considered by the Manchester Transformation Fund Accountability Board in March.

As part of producing the concept designs (RIBA Stage 2), the design team has considered and developed the:

- design concept
 - outline specifications
 - schedules of accommodation
 - planning strategy
 - cost plan
 - procurement options
 - programme and phasing strategy
 - buildability and construction logistics
- 4.5 The intention at this stage in the development is for each partner organisation to gain approval and commitment to progress to RIBA stage 3. Subject to approval of the outline business case the project will move to Stages 3 and 4 prior to full business case approval as required prior to the commencement of the construction stage (5). Stages 3 onwards will involve full consultation with the local community including residents, businesses and the voluntary sector to ensure the design is shaped and informed to meet their requirements and expectations within an affordable business case.

- 4.6 RIBA Stage 3 will take the concept designs produced in Stage 2 and develop the detailed design necessary for procurement and construction, including coordinated and updated proposals for structural design, building services systems, outline specifications, Cost Information and Project Strategies. Stage 3 will also include seeking Planning consent. The design will be flexible so that layouts and room uses can be changed relatively easily to be able to meet changing service requirements over the full life of the building.

5 Developing the financial case for the proposal

- 5.1 The project requires a capital investment of up to £15.4m (excluding VAT). Because of the lower borrowing costs for Prudential borrowing, the cost is considerably cheaper than borrowing on the open market or through the private sector, it was agreed by the Gorton Project Board that Manchester City Council will provide the capital for the build through a Prudential Borrowing funding solution with borrowing costs covered in full by rental payments from Partners. The other project partners will become tenants within the facility under long lease arrangements to provide a risk assurance for MCC.
- 5.2 To avoid the need for risk premiums and or developer profit to be charged to the tenants the risk will be shared equally through the lease and property management arrangements including a full life cycle maintenance plan therefore the lease charge to tenants will include Hard and Soft FM costs and Lifecycle Costs. Where funding gaps exist between the partners' current costs and the Hub lease costs, each partner will be absolutely responsible for resolving its own gap.
- 5.3 The costs and benefits of this proposal are broader than those relating purely to an operational estates development. Current health and care provision in the area is currently provided from inadequate, and not fit for purpose facilities; as a result, local patients are not able to be proactively managed in community settings, resulting in the area being an outlier for unplanned hospital activity, unplanned admissions and unnecessary attendances at A&E. The impacts of the proposal, in improving patient care and delivering service efficiencies through integration and a necessary growth in primary and community based capacity, have been accepted by the partners putting forward this proposal, and factored into the financial assumptions.
- 5.4 In addition to the direct financial implications of the estates element of this project there are also many service and neighbourhood benefits. Some of these do have a financial benefit, however capturing the saving from an existing budget is not straightforward. As an example, the under doctoring within Gorton is resulting in more residents attending A&E for primary care related needs. It is estimated that the cost to the health system is approximately £300k per annum.
- 5.5 The revenue consequences of the build for MCC Integrated Community Services are cost neutral, but for the library the estimated additional revenue requirement is £116k per annum from 2019/20. To stay in the current accommodation of Gorton Library and Gorton District Office for a further 25

years the estimated whole capital replacement lifecycle costings suggest significant investment would be required over the 25 years which makes the Gorton Hub proposal a much more cost effective option. Given the cost avoidance, funding to meet the £116k per annum gap from 2019/20 will need to be identified from within the Council's property related budgets.

5.6 The other benefits include but are not limited to:

- Improved health and wellbeing of Gorton residents
- Reduced A&E Activity/Hospital Admissions
- Under doctoring within the Gorton neighbourhood addressed
- Public service collaboration and integration
- Local regeneration and employment opportunities
- Avoided backlog maintenance costs and disruption within the existing estate
- Community involvement and capacity building

8. Next Steps

8.1 The proposed development of the integrated public service hub in Gorton is a truly collaborative project and as such will require each partner to secure agreement to the Outline Business Case and agree the terms for progressing the project to RIBA Stage 3 when a design team will be procured and the project will move to full design. All partners have been fully supportive to date and it is anticipated that all partners will have committed to the next stage of the process and signed off the financial implications to support project by the end of March. Once this commitment has been secured the procurement of a design team will commence. Funding will be sought from One Public Estate to move the project to RIBA Stage 3 but in the absence of a successful bid the cost of this stage will need to be met from the City Council as part of the capital funding of the project. The outcome of RIBA Stage 3 will be reported back to Executive in late summer.

9. Conclusion

9.1 The proposed development of an integrated public service hub in Gorton is being driven by the poor nature of health facilities in Gorton but provides a unique opportunity to drive far greater transformational and organisational change. A rich mix of public services has come together to develop a unique facility which will not only provide a truly integrated health and social care offer together with social housing provision, a Job Centre Plus office and local library but which will drive true integration of service delivery. Importantly the development will provide a significant regenerative boost to an area in critical need of it.

9.2 The innovative nature of the proposal for a Gorton Hub has been such that it has been viewed by the Greater Manchester Devolution Team as an exemplar site. The GM team has taken an active interest in the progression of the project, including supporting a successful application that was made to 'One Public Estate', and also for Primary Care Transformation Funding from NHS England. Through those successful bids a total of £105,000 has been granted

to support the development of the proposal for a hub.

10. Contributing to the Manchester Strategy

(a) A Thriving and Sustainable City

- 10.1 The location of large numbers of public sector staff in Gorton District Centre will provide a regenerative boost to what is one of the most deprived areas of Manchester. The concentration of public services will also have a positive beneficial impact on increased footfall from service users to the District Centre and surrounding facilities.

(b) A Highly Skilled City

- 10.3 Gorton remains an area with below average levels of employment and skills and the proposed Hub gives an opportunity to provide a far greater focus on this area of the City. More importantly it will bring a range of complementary services together who will help to provide a more integrated approach to work and skills as well as strengthening the clear link between employment and good health.

(c) A Progressive and Equitable City

- 10.4 The opportunity to accommodate additional MCC staff within the proposed development will support closer, joint working and integration of local services which is vital to tackle effectively some of the complex social problems which prevent families and communities from benefiting from the City's economic success.

(d) A Liveable and Low Carbon City

- 10.6 The project will contribute to sustainable economic growth by replacing a number of old, poorly maintained and high carbon producing buildings into a more modern, energy efficient purpose built building. It will also change the current inefficient accommodation to more modern space, with more staff accommodated in less office space.

(e) A Connected City

- 10.9 The new building will retain and improve public service uses within a more accessible location, connected to residents by a good public transport network.