

Report to Cabinet
12 June 2019
Report of Head of city development services
Subject Managing assets

Item

14

Purpose

To approve the release of grant funding to facilitate the upgrading of Churchman House.

Recommendations

To:

- (1) approve the transfer of Department of Health and Social Care (DHSC) grant funding of £150,000 to NHS Property to pay towards the refurbishment and upgrading of Churchman House to provide a Community Wellbeing Hub
- (2) recommend to Council that the 2018/19 General Fund Capital programme is increased by £150,000 to facilitate the payment of the above grant.

Corporate and service priorities

The report helps to meet the corporate priority of people living well

Financial implications

The proposed transfer of grant has no net financial implications for the council. The DHSC grant is held by the council for the purpose of facilitating the refurbishment and upgrading Churchman House to provide a Community Wellbeing Hub. This report is required simply because whilst the grant has been received it was uncertain when and if it would be granted to the council and it was therefore not included within the council's capital programme for 2019/20.

In providing the Community Wellbeing Hub, a tenancy on Churchman House will be created lasting 20 years until break. The rent payable will commence at £30,000 p.a. rising at five yearly intervals in line with the retail price index with a +1% collar and +3% collar.

Ward/s: Mancroft

Cabinet member: Councillor Kendrick - Resources

Contact officers

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Background documents

None

Report

Background

1. Churchman House is a Georgian grade 1 building on Bethel Street opposite the junction with Cleveland Road. It is a substantial building arranged over 3 floors with a garden and parking (30 spaces) at the rear. The interior of the building is particularly notable for its elaborate plasterwork. Some of the council's portrait collection is kept in the building. It is in good condition.
2. Churchman House was built in 1724 by Alderman Thomas Churchman. It was extended in the middle of the 18th Century by his son and was used as a home, except for a brief period when it was the Norwich High School for Girls, until 1919 when it was purchased by Norwich Corporation.
3. Churchman House was initially used as the health headquarters and it has gone through a number of subsequent health related office uses. In the late 1980s it was refurbished and let to Norfolk County Council as a registration office (the latter moving from City Hall).
4. Churchman House is a stewardship property within the meaning of the council's Heritage Investment Strategy (2014). The strategy recognises that there is a responsibility on the council to ensure that stewardship properties are maintained and managed to protect and maximise their heritage value. Stewardship properties should also only be sold in special circumstances, such as extreme financial need.
5. The county council ended their tenancy in September 2016. NPS Norwich Ltd (NPSN) has marketed the property since then and whilst there has been some interest (from hotel operators for example) nothing specific has materialised. Mindful of its stewardship status disposal has not been considered in any detail whereas in seeking tenants NPSN has been mindful to ensure that the property will be properly maintained.

Community Wellbeing Hub

6. The council was first approached about leasing the building to provide what is now known as a Community Wellbeing Hub in June 2017. Such a hub is based on models in Aldershot, Lambeth and Bradford and is a means of addressing mental distress as opposed to mental health. Mental distress is recognised as an important factor in poor mental wellbeing and the idea of the hub approach is to offer a non-medicalised, easy to access, non-stigmatising safe place for people to access information, advice and support.
7. Equally if an individual is experiencing a crisis episode then the hub may also act as an alternative to formal services. Whilst the focus of the hub is on mental wellbeing its provision in the city centre is of major benefit to residents in Norwich including those vulnerable groups the council provides services to such as the homeless.
8. Negotiations with the relevant Clinical Commissioning Groups (CCG) have been protracted with considerable due diligence required about the suitability of the building given the client group and also given its grade 1 listed status.
9. However there is now agreement on heads of terms whereby the building is leased to NHS property for a term of 20 years. The rent payable £30,000 p.a.

rising at five yearly intervals in line with the retail price index with a +1% collar and +3% cap. There is an opportunity to break at 10 years. The council will continue to be responsible for external repairs (as it was when leased to Norfolk County Council), the Blue Room and any unused parts (which will be 'moth-balled') and the tenant will be responsible for the remainder (representing the greater liability).

Capital investment

10. To provide the Community Wellbeing Hub requires considerable investment in the building to provide the appropriate facilities whilst also respecting Churchman House's grade 1 listed status. Given the value of the anticipated mental health outcomes the CCGs have been able to secure substantial capital funding from the NHS Sustainable Transformation Partnership.
 11. In addition the CCGs were successful in bidding for £150,000 grant funding from the DHSC. The nature of the grant funding means it needed to be paid to a third party and as owners of the property to provide the Community Wellbeing Hub the council was willing to be the recipient.
 12. Unfortunately the timing of when the grant would be paid was unclear and provision was not made in the council's 2019/20 capital programme to allow it to be paid to NHS property as a contribution to the refurbishment and upgrading works.
 13. With the grant now paid to the council, it needs to be transferred to NHS property. Cabinet is therefore asked to recommend to council, that the 2019/20 General Fund capital programme is increased by £150,000 to enable the transfer to take place
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Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	12 th June 2019
Director / Head of service	Head of city development services
Report subject:	Managing assets
Date assessed:	29 th May 2019

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The grant will facilitate the economic use of Churchman House to generate rental income to benefit the council
Other departments and services e.g. office facilities, customer contact	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The intended use of Churchman House will help support key client groups of the council and thereby provide support for these services
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The proposals will see Churchman House in beneficial use rather than continuing as a void property
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Churchman House is within the city centre which is the most accessible location for the provision of the intended services within the county
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The population of Norwich will benefit from this project through improving their wellbeing and reducing damaging episodes of mental distress

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Churchman House is within the city centre which is the most accessible location for the provision of the intended services within the county
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Occupation of Churchman House will help ensure its on-going preservation as an important grade 1 listed building
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There are negligible anticipated risks associated with the proposals

Recommendations from impact assessment
Positive
The various positive impacts are consistent with the report recommendations
Negative
There are no negative impacts anticipated
Neutral
n/a
Issues
n/a