

Report to the Cabinet Member for Health and Wellbeing
Report submitted by: Head of Health Equity, Welfare and Partnerships
Date: 10 November 2015

Part I

Electoral Divisions affected:
All

Review of the Burnley Chai Centre

(Appendix 'A' refers)

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Executive Summary

This report sets out the proposal for a revision of the approach and financial contribution into the Chai Centre, Burnley post March 2016. There are currently multiple contracting arrangements that are duplicating and not sustainable within the current financial pressures. In order to ensure financial efficiencies, whilst contributing towards minimum risk and maximum benefit to the community, the report sets out 3 options for consideration. The first option is to no longer fund the healthy living element of the Chai Centre; the second option is to contribute £59,995 for 6 months to cover the manager costs and a small amount for reception / admin to support an exit strategy; and the third option presented is to fund for a further 2 years to provide more time to manage risks such as leasing of the gym / café, developing a community consortium type arrangement, drawing in external funding sources etc. The recommendation of this report is that Option 2 is pursued to support an exit strategy in consultation with partners and the community.

An Equality Impact Assessment has been undertaken and is attached at Appendix 'A'.

This is deemed to be a Key Decision and the provisions of Standing Order No. 25 have been complied with.

Recommendation

The Cabinet Member for Health and Wellbeing is recommended to:

(i) Give approval to pursue the preferred option, Option 2 for implementation, and

(ii) Authorise the Head of Service for Wellbeing, Prevention and Early Help to

work with Lancashire Care Foundation Trust to devise an exit strategy to identify the process, timescales and outcomes for implementation against the preferred option.

Background and Advice

Daneshouse Community Economic Development Trust was established in 1999 as a vehicle for community led regeneration. 82% of residents in the Daneshouse with Stoneyholme ward of Burnley are from the Asian Heritage community with deprivation being higher and life expectancy lower than the national average. Circulatory disease, coronary heart disease, and respiratory disease are particularly significant mortality causes within this ward. In order to tackle these health inequalities, the Trust led the development and submission of a bid to the Big Lottery for the establishment of a Healthy Living Centre (HLC).

The aims of the Centre were to promote healthy lifestyles and prevent ill health in order to support the reduction of health inequalities within the area. Joining forces with East Lancashire Primary Care Trust (ELPCT), the Chai Centre was developed as a combined healthy living centre and children's centre and opened to the public in 2005. The Chai Centre is now well established within the community with over 1,700 individuals attending activities at the Centre between April 2013 and March 2014, 19,000 attendances in total. The centre is now celebrating its tenth year and a large scale celebratory event took place in March 2015.

Historically responsibility for the HLC sat with the public health team within ELPCT. The service was transferred to Lancashire Care Foundation Trust (LCFT) in 2010 under Transforming Community Services. The responsibility for commissioning the service transferred to the County Council with Public Health in April 2013. The County Council's Public Health and Wellbeing Service does not commission any other similar provision across the county. LCFT remain the landlords of the centre and all building management responsibility remains with them.

The County Council manages the Chai Centre contract with LCFT at a cost of £220,000 per annum. Notice has been given on the current contract from the end of March 2016. Current funding covers approximately 13 staff (part time and casual) and this supports the delivery of:

- Café culture
- Gym, sauna and steam room
- Qualified and bilingual gym instructors delivering bespoke exercise programmes
- General centre management and reception cover
- Exercise classes for all ages and abilities including working in partnership with Burnley Leisure Trust delivering cardiac and weight management classes to identified groups.
- Volunteering and training opportunities. Chai is an approved centre for CVQ (one of the UKs leading awarding organisations for physical activity, fitness and wellbeing) offering qualifications in exercise and fitness. The centre aims to develop and deliver courses to the local community and groups to build on the community assets agenda.

The County Council also holds a lease arrangement (waiting to be formalised) with LCFT for the Children's Centre which includes approximately £47,000 administration provision and £70,000 estates per annum. The County Council does own estate in the Daneshouse and Stoneyholme ward, such as the Daneshouse and Stoneyholme Community Centre/Young People's Centre. The Chai Centre reaches families, mainly women, in the Daneshouse area of the ward with a more limited reach to residents in Bankhall and Stoneyholme.

Proposal moving forward

Three options are outlined below for consideration. For both options 2 and 3, it is proposed that the County Council's Public Health and Wellbeing service continues to support the Chai Centre for an agreed amount of time at a reduced level of funding. This will enable an exit strategy to be implemented, in discussion with the community, partners and LCFT. The contract would be very different to the current arrangement and would:

- Agree a reduced amount of funding annually ensuring financial efficiencies, whilst contributing towards minimum risk to the centre and maximum benefit to the community.
- Be focused on working with LCFT to identify alternative management arrangements and opportunities to secure funding e.g. social enterprise; 'Friends of the Chai'; Community Consortium.
- Identify opportunities to build on the community assets to develop the Chai Centre into a local community hub.
- No longer fund the café and gym facilities within the building (alternative arrangements will be sourced but there are risks involved so needs managing to ensure the facilities continue to work to similar values and principles).
- Provide the time for the County Council to review its provision and approach across Daneshouse and Stoneyholme, aligning to the review of County Council's Estates and Wellbeing, Prevention and Early Help services.

Options for Delivery post March 2016

Option 1

Description: No longer contribute towards the funding of the healthy living element of the centre. Saving: £220,000 annually from March 2016.

Pros

- The service has been given notice that their contract will end March 2016.
- The County Council will still hold the service level agreement with LCFT for the Children's Centre of approximately £47,000 administration provision and £70,000 estates per annum.
- Maximum efficiencies will be achieved by April 2016.
- Saving in County Council staff capacity to support any ongoing contractual arrangement.

Cons

- The Healthy Living Centre may become used purely as an LCFT staff base.
- Staff in LCFT will be entitled to redeployment but may be made redundant.
- Impact on the engaged community: the healthy living centre was developed after community members identified a need for a central hub that would deliver physical activity and health projects that were accessible, affordable and culturally appropriate. Over a decade the uniqueness of the Chai Centre has emerged through the vision of the local community. There has been a commitment to engage continuously with the community from the initial design of the building through to adapting the services to meet the needs of the user group. The County Council withdrawing from the Chai Centre could result in the community becoming disillusioned and unlikely to be involved in any future engagement.
- Elements of the centre rely on each other, for example, the private nursery (third party provider) relies on the café to provide food for the children. An agreed exit strategy would be required to enable time to identify alternative arrangements to ensure sustainability.
- Big Lottery agreements: there was a clause agreed with the Big Lottery that the building would remain active in its community health role for 10 years. This no longer appears to be an issue but is worthy of note.
- Impact on the health and wellbeing of the community: the Chai Centre has just celebrated its 10th year of successful operation. 970 service users (335 adults and 635 children) attended the event. Service users were asked '10 years of the Chai, what does this mean to you?' Some of the key responses included: 'Good sense of community'; 'A wonderful place to be in the heart of the community'; 'It means everything, I have so much support'; 'It's good because it is so local'; 'Developed friendships'; 'The Chai centre helps the community and disadvantaged people'. The Chai Centre does reach those members of the community experiencing the greatest health inequalities and as such, the County Council withdrawing support would impact on their long-term health and wellbeing and potentially place more pressure on local health and social care services.
- Politically sensitive: The Chai Centre is valued by partners including the district council and Clinical Commissioning Group and withdrawal may cause issues and tension across these partnerships.
- The County Council is committed to the principle of proportionate universalism (Fair Society, Healthy Lives, Marmot) ensuring that services are funded and deployed at the necessary scale and intensity to meet needs across different groups. Withdrawing funding from one of the most deprived wards in the county would contradict this principle.

Option 2

Description: approach the provider to make a direct award of contract for a period of 6 months from 1st April 2016 until 30th September 2016, at a cost of £59,995. In accordance with procurement rule 5.4 it is not practicable to obtain 3 written quotes as the incumbent provider owns the building; and there would be little if any interest from any other provider given that this is a 6 month only contract to develop an exit strategy and end the existing service with no further business after the contract end date.

There is potentially some double funding of reception at present and renegotiation is required. The £59,995 would cover the costs of the part-time healthy living centre manager, with a contribution towards reception, enabling a further 6 months of support to action an exit strategy. Daneshouse and Stoneyholme already has a number of active third sector groups but a future model presents an opportunity to support these local Voluntary Community and Faith Sector groups further to work together to benefit the community, build social capital and develop some type of community consortium to oversee the healthy living centre and draw in external funding streams.

Savings: £160,000 from March 2016, then £220,000 annually there after.

Pros

- Financial efficiencies
- Allows some continuity post March 2016
- The County Council also contributes £70,000 towards the Children's Centre element of the building and £47,000 for administration for the Children's Centre.
- Enables time to work with the local community and partners to identify and implement alternative arrangements, reducing risk.
- No long-term commitment.

Cons

- May present risk as only funding for a further 6 months at a much reduced rate.
- Pre-April 2016 may not present enough time to identify alternative arrangements for the current facilities of the café and gym resulting in loss of jobs and services to benefit the community.

Option 3

On-going support, but in diminishing phases, enabling the Chai Centre to become more of a community health and wellbeing hub. Year 1 (April 2016/17) contribute £180,000 and then year 2 (April 17/18) £120,000. Savings: year 1 (2016/17) £40,000, year 2 (2017/18) £100,000 and annually thereafter £220,000.

Pros

- Provides time for staff to find alternative management / funding arrangements.
- Increased capacity to focus on partnerships e.g. increased partnership with Burnley leisure, both supporting community to access their facilities e.g. women only swimming, and pull into Chai as appropriate e.g. pulmonary rehab.
- Enable Parental involvement programmes e.g. Scouting Association.
- Promote more combined approaches with the children's centre e.g. co-delivery, early intervention and best start for families.
- Integrating services to avoid duplication and add value e.g. Integrated Neighbourhood Teams, Integrated Wellbeing Service.
- Strengthen the sense of place including environmental improvements, linking the community to opportunities on the perimeter of the area e.g. canal and countryside walks and cycling.

- Present the opportunity to access funding streams that the Centre is currently unable to access due to being managed by a statutory sector organisation. Also the centre could income generate e.g. through delivering CYQ training.
- Involve the community, potentially as a constituted group, working with Blackburn Bangor Street Healthy Living Centre to learn from their model.
- There are a wide range of models across the country that can be drawn as examples of best practice such as Oxford, Bristol, Edinburgh and Glasgow. These offer a wide range of community support, from befriending and counselling through to timebanks and cooking courses, focusing on co-production and drawing in funding from a range of sources.
- Opportunity to re-negotiate and clarify expectations.
- The Centre will respond to the community and with the community, developing clear communication pathways that are appropriate to the community it serves.

Cons

- Minimum savings to the County Council.
- This option presents challenging contracting arrangements e.g. section 75, partnership agreement. Close working with legal and commissioning colleagues would be imperative to ensure appropriate processes and negotiations are followed.
- The County Council will be tied into a 2 year arrangement.

The recommendation of this report is that Option 2 is pursued as this ensures financial efficiencies whilst reducing risks. Confirmation has been received from LCFT that they would accept the funding for a further 6 months of £59,995 to enable contingencies to be put in place following discussions around future usage, funding and management arrangements in consultation with partners and the community whilst aligning to the County Council's accommodation and service review.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Financial

If the preferred option is agreed this will result in savings of £160,000 from March 2016, then £220,000 annually thereafter. This forms part of the public health improvement block contract with LCFT sitting under the responsibility of Wellbeing, Prevention and Early Help.

Human Resource

Approximately 13 staff members, part-time and casual, will be affected by this decision. LCFT will serve staff notice and follow their redeployment processes providing advice and support to staff through this phase. Depending on the outcome

of the engagement phase, alternative arrangements may be sourced for the management of the centre and provision of the café and gym, leading to employment opportunities for the staff.

Legal

There are no TUPE implications if the health improvement element of the Chai Centre is no longer funded.

Risk management

Depending on the option carried forward the risks identified in this paper will be discussed with relevant colleagues and risks mitigated as far as possible.

	Risk	Actions to mitigate risk
Finance	If the preferred recommendation is not adopted, in favour of option 3, then this will place greater budget pressures on LCC	The recommended option is option 2 which ensures financial efficiencies
HR	Approximately 13 staff may be made redundant	LCFT are responsible for serving staff notice, supporting staff through redeployment opportunities in-house with the aim to minimise redundancies
Legal	TUPE implications	There are no TUPE implications
Other LCC Services	If the recommended option is agreed then this may result in the current service including the reception, café, gym and exercise programmes stopping which could impact on other LCC services, mainly the Children's Centre	The work around the exit strategy will include sourcing alternative arrangements for the food provision for the Children's Centre, reviewing and avoiding double funding around reception/ admin arrangements plus be part of the LCC estates and CYP services review, minimising impact on LCC services

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A