

Committees:	Dates:
Resource Allocation Sub Committee Policy and Resources	5 July 2018 5 July 2018
Subject: City Mental Health Centre	Public
Report of: Andrew Carter, Director of Community and Children's Services, DCCS	For Decision
Report author: Zoe Dhami, Strategy Officer – Housing and ASC, DCCS	

Summary

The Community and Children's Services (CCS) Committee supports proposals to deliver mental health centre in the Square Mile, to deliver a range of clinical treatments to tackle mental ill health among workers and the resident population. The planned provision will include low cost interventions for workers and residents on low incomes, enabled by provision of rent-free premises provided from the Housing Revenue Account (HRA) portfolio of commercial shop units.

Members of CCS expressed a strong preference for a larger delivery model, with the provider having the option to deliver from two adjoining shop units. This report seeks funding to cover the rental income loss to HRA for two shop units to enable a three-year pilot scheme to be progressed.

Recommendation(s)

Members are asked to:

- Approve funding of:
 - £32,000 to compensate the HRA for void losses (of which £16,000 is committed at risk)
 - Up to £192,000 to enable a maximum of two shop units from the HRA to be provided rent free for three years.

Main Report

Background

1. Officers have brought forward a proposal to set up a Mental Health Centre in the City of London to address a gap in provision and fulfil the commitments of the City Corporation's Joint Health and Wellbeing Strategy and Mental Health Strategy to address mental health needs of workers.
2. In March 2018, Members of CCS Grand Committee approved the use of commercial premises within the HRA estate to be made available for this purpose, subject to compensation to the HRA for loss of rent.

3. Members of CCS also proposed a larger scale model that would require two adjoining shop units. It was felt that this would provide for a more financially viable and ambitious scheme.
4. The department had sought funding for the rent element to be reimbursed to the HRA from the Priorities Pot funding process. However, funding from this source was only awarded for a single year on a bid based on a single shop unit, and therefore is not appropriate to the three-year proposal and Member's wishes for a larger scheme.

Current Position

5. Officers have identified two adjoining HRA shop units - 75 and 77 Middlesex Street - for use. They are located in an area providing access to both City residents and workers. The competitive process to select the service provider will allow potential providers to develop a business model based on one or both units. The City Surveyor's Department has estimated that rental values for 75 and 77 Middlesex Street are £32,000 per unit, per annum.
6. A void period of several months is usual for these properties. This is estimated (based on units in the same parades) to be nine months. The delivery of this project requires two units to be held void so that adjoining units can be guaranteed, and for a period that exceeds the usual expected void period.

Proposals

7. To ensure the HRA does not experience undue financial loss from extended voids, members are asked to fund a period of six months rent for each property at a total cost of £32,000. This will allow three months for the provider selection and three months for refurbishment (works that cannot begin until the chosen provider and business model is selected). If agreed, it is proposed that £16,000 of this is paid at risk – given the possibility the project may not attract a successful provider.
8. The shop units will be offered to a provider for a period of three years rent free. During this period the rent is fixed and therefore represents a total rental income to the HRA of £192,000 over three years from the point of occupation. It is proposed Members agree to reimburse the HRA up to £192,000 to enable the operation of this centre.

Refurbishment costs

9. To further support the delivery and viability of the centre, the department sought capital funding from the Community Infrastructure Levy (CIL) for refurbishment costs. This was approved at the Priorities Board meeting of 20.06.18. The bid for CIL funding was based on the estimates provided by the City Surveyor, which range from £186,751.95 (+ VAT) for a basic scheme up to £432,630.00 (+ VAT). Both estimates include fees set at 15%. The total cost will be driven by whether a single or two shop units are chosen by the selected provider.

Provider selection

10. A competitive commissioning process will identify a provider based on the City Corporation's ambitions for the scheme. It would place an emphasis on attracting

providers who are either charities, social enterprises, SMEs or consortia of practitioners, and the evaluation of submissions would be based on clinical excellence, potential outcomes and social value.

11. Proposals will need to demonstrate an ability to offer a range of short, medium and longer term therapeutic interventions to maximise the breadth of the centre's impact. It is expected that the provider will put forward a plan to ensure outcomes are sustained beyond the three-year initial period without further rent subsidy.

Corporate & Strategic Implications

12. The plans for a mental health centre in the City relate to the Department of Community and Children's Services' Business Plan (2017-22), which lists a priority objective as health and wellbeing, specifically that "people of all ages enjoy good health and wellbeing".
13. The proposal also relates to the draft Corporate Plan (2018-23), where a corporate outcome within the strategic objective of "contributing to a flourishing society" is that "people enjoy good health and wellbeing".

Financial Implications

14. Financial implications for the three-year pilot scheme are as set out in the body of the report. Were the project to be successful a longer-term funding requirement would need to be addressed for the scheme to continue.

Health Implications

15. According to the City and Hackney Joint Strategic Needs Assessment (JSN) 2014 City Supplement, "most City workers perceive themselves to be in 'very good health'; however independent reports suggest that mental health... [among other issues, such as musculoskeletal disorders and respiratory issues] remains a major risk factor". The supplement also states that approximately 21% of City workers (2014 figures) report suffering from depression, anxiety, or other mental health conditions.
16. Turning our attention to the City's residents, the Health and Wellbeing Profile Update of the City and Hackney JSNA (2016) estimates that 1,300 of 19 to 64-year-olds have at least one common mental health disorder, of whom half have depression and/ or anxiety. Only a small proportion of this demographic have their condition recorded by their GP.

Conclusion

17. There are a limited range and number of mental health-related NHS services available in the City of London. Provision is further limited for those working, but not living, in the Square Mile. The delivery of a mental health centre for both residents and workers would fill this gap in NHS services, and allow access to long-term methods of treatments.
18. Approval of the requested funding would ensure that the City of London continues to fulfil its duty of care to both residents and workers, and support the outcomes of the Corporate Plan.

Appendices

- None.

Background Papers

- “Mental Health Centre” paper, approved by Community & Children’s Services on 7 March 2018.

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