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PS/NAC/LTR.240

24th January 2011

Councillor Michael Carr
Chair, Scrutiny Management Committee
Derby City Council
13 Middleton Avenue
Littleover
Derby
DE23 6DN

Dear Cllr Carr

Thank you for your letter dated 13th January, following receipt I have discussed this with Mark Todd and this is a joint response from us both. In this response, I will account for how this PCT has discharged its responsibilities in relation to the Revive Healthy Living Centre, our actions since the meeting Angus Maitland attended on the 22nd November, and our proposed way forward. I have also included our responses to the questions posed through SMC as an annex to this letter.

In short I believe that the PCT has, over a long period of time, demonstrated its commitment to the Centre. We have not only carried out all of the PCT requirements set out in the Tripartite agreement that are within our control, but have gone above and beyond the agreement to try to ensure the Centre is a success.

Following on from the meeting Angus attended on the 22nd November and in line with the minutes of the meeting you have subsequently sent through, the PCT was required to do the following:

1. The Chief Executive of the City Council was to organise a meeting with myself to discuss possible ways forward. I contacted Adam Wilkinson by letter on 29th November to offer to attend a meeting and to restate the PCT position.
2. Provide a response to the questions posed through the commission – please see the annex attached.

The PCT's engagement in the project started with the previous PCT Chief Executive's role actually in 1999, well before my commencement in 2004. A Tripartite agreement between Revive Company, Derwent Delivers and the PCT was put in place to set out the responsibilities of each organisation. These were:

1. The PCT was to procure the building through grant funding on behalf of the local community acting as accountable body for the funding agreements, which would then be novated to Revive Ltd on completion.

Chairman: Mark Todd

Chief Executive: Prem Singh

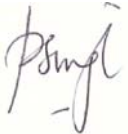
2. Revive Limited was made up of local people. They would take on the running of the building and receive the novated funding agreements from the PCT. They would also receive a lease for the land from Derwent Delivers.
3. Derwent Delivers Ltd (a community company set up to oversee the NDC projects) owned the land and agreed to issue a 125 year lease to Revive Ltd on completion of the building.

The PCT has delivered the responsibilities within our control which formed part of the tripartite agreement. As I outline in detail in the annex, the PCT has procured the building and this has been signed off by a suitably qualified estates expert. All problems at the time of handover were rectified to the satisfaction of the Surveyor employed to oversee the project. Moreover the PCT allocated a considerable amount of resource (including a dedicated staff team) to develop the Revive programme, to engage with residents and to support the Revive Company in terms of legal and financial liabilities and duties. The PCT has been an anchor paying occupier, who always paid rent despite no lease agreement being in place. The PCT has always worked in partnership and co-operated fully to try and resolve matters. This included making a one-off funding injection to the project during 2007/08 following discussions with MP, Bob Laxton and the City Council.

We have not, however, been able to novate the funding agreement to Revive Limited as neither they, nor Derwent Delivers Ltd are honouring the tripartite agreement. Unfortunately the meeting arranged for 21st December with Adam Wilkinson and myself was cancelled by Adam's office on 20th December.

In summary the PCT has fulfilled all of our duties for Revive and has actually gone further to ensure the success of the project. I am happy to meet with Adam to discuss a way forward and understand there may be an option on the table. Mark Todd and I are not available to attend the meeting on 1st February. I do not believe there is anything further to add to the position outlined in this letter and annex. However both of us would be happy to meet with you if you believe this would be helpful once the meeting with Adam has taken place.

Yours sincerely



Prem Singh
Chief Executive

Annex

Revive – Response to Questions

Tripartite Agreement

1. ***What actions did the PCT take to ensure that the residents involved in the project were fully aware of the legal and financial liabilities and risks they were asked to take on?***
 - Two extensive training programmes were provided by the PCT for Resident Directors to learn and understand their roles and responsibilities, liabilities and risks;
 - 2004 – 2006 Provided by Pravin Consultancy
 - 2006 – 2007 Provided by TANC Nottingham
 - The PCT secured a number of professionals (via Business in the Community) to work directly with the Revive Company to ensure the Resident Directors were fully aware of their legal and financial liabilities and duties, including;
 - Solicitor (Company Development): Matthew Bradley – Jefferies and Bradley
 - Solicitor (Buildings and lease); Pinders Solicitors
 - Accountants: Danny Parker – Cooper Parry Accountants
 - Financial: Dave Bone – Barclays Bank
 - Management and Company Support: Jo Brown – TANC, Nottingham
2. ***Can the PCT explain why things did not turn out as planned and why they withdrew from supporting the very residents who they encouraged to become directors?***
 - We do not accept the statement that the PCT withdrew from supporting the residents. The PCT has, over a long period of time, demonstrated its commitment to the project. According to the tripartite agreement the PCT was to procure the building through grant funding. This was completed to the satisfaction of a suitably qualified estates expert. The PCT also provided an extensive range of training programmes to the Resident Directors which went above and beyond the requirements of the agreement.
 - Derwent Delivers were keen to take over the Revive Centre in order to provide a legacy for the NDC programme. It was always the intention that the PCT would step away and let the community company takeover once the building was signed off. The PCT cannot legally be a member or shareholder in the community company and therefore could not participate formally in the running of the building.
3. ***Has the PCT made provision in its accounts to repay any grant money to funders if they are asked?***
 - The capital grants were awarded to erect the healthy living centre building and this has been put in place. The PCT was a management agent, thus no grants were transacted through the PCT's accounts.
4. ***Can the PCT explain how it would deliver services to Derwent residents if they could not use the Revive building?***
 - The PCT as a paying occupier would have to find alternative accommodation to deliver services to Derwent residents should the Revive building be unavailable. However, the

core local services provided by the PCT only utilises a proportion of the area occupied and paid by the PCT.

The Design of the Building

5. ***What action did the PCT take to make sure that the building and services that would be delivered were needed and would be sustainable?***

- Local needs were identified through continuous community involvement and consultation with local people. During the development of Revive (2000 – 2006), more than 3,500 local people were consulted and actively involved in Revive. Below is a list of the consultation carried out by the PCT to ensure Revive would be delivered according to need and sustainability:
 - Community Research Report; The Jigsaw Partnership – 1999
 - Community Consultation/Option Appraisal; Pravin Consultancy – 2001
 - Revive Community Consultation 2002 – 2003
 - Greater Derby PCT; Community Consultation for Services in the Building 2003
 - Childcare Audit 2003
 - Community Involvement: Library
 - Revive Community Involvement 2004
 - Community Café Development 2004
 - Eviver (Complementary Therapy) Consultation 2005
 - Volunteer Strategy 2006

The requirement of residents and the PCT was for Revive to become a social enterprise.

Finances

6. ***Does the PCT feel any responsibility to the residents who they encouraged to become Directors and take responsibility for managing the centre?***

- The PCT went above and beyond the responsibilities outlined in the tripartite agreement and provided not one but two extensive training programmes for the Directors.
- The PCT allocated a considerable amount of resources (including a dedicated staff team) to develop the Revive programme and, on behalf of the community, the PCT secured a substantial amount of funding to ensure Revive was developed as a community led facility for local people. During the development of Revive, local people wished for the community to hold the majority of the ownership and management of the facility. Local residents requested that Revive be a community led company. The PCT facilitated this but maintained its commitment to Revive by becoming a paying occupier (even without a lease).

Condition of the Building

7. ***The building was signed off by suitably qualified estates experts as being fit for purpose. The repairs are now estimated at £185,000 can the PCT explain whether they are prepared to support the residents and pick these costs up?***

- The building was signed off as meeting the requirements set out in the building contract awarded. Any problems were rectified to the satisfaction of the Surveyor employed to oversee the project. The PCT discharged its obligations under the Tripartite Agreement in terms of the building contract.

The Future

8. *Suggestions for future ownership and management of the building?*

- I understand this will be discussed at the meeting between the Local Authority Chief Executive and the PCT Chief Executive. However, as has been previously explained, the PCT is shortly to be dissolved (in 2013) and is a commissioning only organisation from 1st April 2011 so would not be able to take on ownership and/or management of the building.