

North Somerset Council

REPORT TO THE EXECUTIVE

DATE OF MEETING: 11 SEPTEMBER 2019

SUBJECT OF REPORT: LOCKING PARKLANDS GP SURGERY

TOWN OR PARISH: WESTON-SUPER-MARE

OFFICER/MEMBER PRESENTING: COUNCILLOR CARTMAN

KEY DECISION: NO

REASON: the initial approval in respect of preparation and design costs is less than the de-minimus of £500,000, and the proposal does not affect more than two wards.

RECOMMENDATIONS

That the Executive;

1. Agree in principle to North Somerset Council working in partnership with the CCG to develop health facilities at Weston Parklands Village based on the following principles:
 - 1.1. North Somerset Council become the owner and developer of the proposed GP facility, using funding from;
 - NHS capital grants - this will be transferred to NSC via a Section 2 or Section 256 contract,
 - Section 106 contributions from the Weston Villages developments (once revised) - expected to be in the range of £1m – £1.5m.
 - 1.2. In exchange of the Council's ownership, the land and building will be made available through a lease mechanism for the health partners to operate a permanent GP facility;
 - 1.3. NSC will lead the procurement for construction and design;
2. Approve initial revenue expenditure of £0.279m to progress the scheme in line with the CCG's timetable (section 3.2), which will be funded by the CCG, whilst the heads of terms are agreed.
3. Approve appointment of Willmott Dixon up to RIBA stage 3 through the Procurement Hub framework.
4. Note that further reports will be presented to the Executive later in the year which will require approval for the following;

- 4.1. Inclusion of the GP Surgery project within the council's capital programme, with an indicative the total scheme cost of approximately £3.1m, subject to a full business case being approved, and
- 4.2. Confirmation of the Heads of Terms regarding the land, subject to the CCG's successful full business case a further report will be brought early 2020.

1. SUMMARY OF REPORT

- 1.1. Bristol, North Somerset and South Gloucestershire clinical commissioning group (referred to as the CCG) have identified that improving general practice resilience and capacity for access to primary care services in Weston is a priority. Weston Villages has been an area of focus as additional need will be required to meet the demand from 7,000 new homes.
- 1.2. The CCG have successfully secured up to £3.5m Estates and Technology Transformation funding (ETTF) to support and improve general practice services for patients, which will cover the CCG's preparation and planning costs, as well as the project delivery costs, including the cost of VAT, which cannot be reclaimed on health related expenditure. A business case has been put forward recommending the suitability of the Locking Parklands site given the development in the surrounding area.
- 1.3. In addition to this North Somerset Council have secured approximately £1m through Section 106 contributions towards the development of a health facility on Parklands Village, which will supplement the ETTF funding.
- 1.4. The Section 106 agreement also requires that an appropriate parcel of land will be transferred from the developer St Modwen's, to the Council for the sum of £1, for the purpose of constructing a health facility.
- 1.5. It is proposed that North Somerset Council will develop and deliver a GP Surgery using the funding above, hold the asset, and lease it to the CCG for their use.

2. POLICY

- 2.1. North Somerset's Corporate Plan has three main outcomes; prosperity and opportunity, health and wellbeing and quality places. As a local authority our ambitions are to:
 - Enable residents to make healthy choices and promote active lifestyles which reduce ill-health and increase independence.
 - Commission or provide quality health and care services which deliver dignity. Safety and choice.

From initial discussions with the transformation policy team it is unlikely that this project will conflict any emerging priorities in the new Corporate Plan.

- 2.2. The Council's Core Strategy sets out long term objectives and strategic planning policies for the area until 2026. This scheme supports the following policies:
 - CS26 Supporting healthy living and the provision of health care facilities,
 - CS28 Weston Villages,
 - CS34 Infrastructure Delivery and Development Contributions.

3. DETAILS

3.1. The proposal involves North Somerset designing and building the GP surgery on the land transferred by St Modwen's on behalf of the CCG. The Council whilst acting as project manager, will also retain ownership and provide the facility for the surgery at a peppercorn rent.

3.2. The supporting reasons for North Somerset Council's involvement in this proposal are:

3.2.1. The project promotes public sector joint working.

3.2.2. It evidences a joined-up approach to strategic service delivery as the Council are already currently delivering the North South Link Road, Locking Parklands Educate Together and will be developing housing in this area.

3.2.3. The increase of housing within Weston Village area and subsequent rise in population adds to the demand for primary care provision, North Somerset Council should positively encourage and support the delivery of improved health facilities.

3.2.4. The Council has a good working relationship with the current landowner, St. Modwen's, and the CCG are not an asset holding organisation, therefore the Council can assist the two parties by facilitating the project.

3.3. The timeline of events are as follows:

Project Task	Timescale
Outline Business Case approved	Dec 2018 - Jan 2019
Feasibility work commissioned	July 2019
Further land transaction review to take place	Aug – October 2019
Executive report	Sept 2019
Procurement	Aug/Sept 2019
Full Business Case grant application submission	Sept/Oct 2019
Outline design completed	Oct 2019
Planning Submitted	Oct 2019
Further detailed design	Oct – Jan 2020
FBC Approval	Dec 2019
Fully priced scheme to support bid	Dec 2019
Outlined terms of land transaction to Exec	Dec 2019
Anticipated planning approval	Dec 2019
Section 2/256 Agreement (transfer of funds)	Jan 2020

3.4. As can be seen from the timetable above, the final fully costed and designed scheme will be presented to the Executive for approval at the meeting in December 2019 however, prior to this pre-planning design works need to be undertaken. It is proposed that the Council will complete these on behalf of the CCG, and the CCG will fund them using their grant allocation. This report requests approval to incur the relevant expenditure totalling £278,730, and receipt of the same value from the CCG.

3.5. All preparation, design and procurement works undertaken by the Council will be made through the relevant contract award processes with support from the Corporate

Procurement team, and will ensure full compliance with Contract Standing Orders.

4. CONSULTATION

- 4.1. At present the CCG have carried out consultation with the existing local practices in the area. The principle of a health practice located at Locking Parklands has been subject to extensive public consultation through the planning system and is included in planning policy documents and planning consents.
- 4.2. Regular updates on the project are taken to CMT and any issues are escalated through the project board.
- 4.3. Further briefings will be brought to Executive once details are confirmed around the land Heads of Terms and the CCG confirming the receipt of ETTF funding.

5. FINANCIAL IMPLICATIONS

5.1. Project costs

The table below provides an initial estimate of the projects high level net costs.

Table 1 - Total Project Cost	
GIA	1,151 sq m
Construction	£2,160,775
Contingency	£108,039
Fees	£324,116
Equipment	£216,078
Sub Total	£2,809,008
Optimism Bias	£315,060
TOTAL	£3,124,068

Optimism bias (of c10%) has been accounted for against the overall project cost on the basis that these figures are high level and there is scope that the total spend could uplift as the scheme develops and unforeseen costs arise.

5.2. Preparation, design and procurement costs

To progress the scheme in line with the CCG's deadline for submitting the full business case in December 2019, and for receiving the funds by March 2020, an initial approval is required to progress the scheme up to RIBA stage 3, i.e. fully designed and costed for inclusion within this business case.

Table 2 outlines the fees that are associated with the development to RIBA stage 3 which includes the appraisal, design brief, concept and design up to technical stage. As these costs are currently not included within the Council's revenue budget, these costs require approval before they can be incurred. The costs of further stages have been quoted

however it has been agreed that the project will only progress to RIBA stage 3 until the CCG have obtained full approval and funding.

Table 2 – Prep, design and procurement costs to RIBA Stage 3	
Stage 1	£50,095.00
Stage 2	£48,354.00
Stage 3	£113,250.00
Sub Total	£211,699.00
Frameworks Fee for Above 1%	£2,116.99
Willmott Dixon OHP 3%	£6,414.48
Sub Total	£220,230.47
NSC MPTS Fees	£25,000.00
NSC Legal & Estates Fees	£15,000.00
Project Management Fees – Perfect Circle	£15,000.00
Planning & Building Control Fees	£3,500.00
TOTAL	278,730.47

5.3. Funding

5.4. As mentioned above funding for the capital costs of the Project will be provided to the Council by the CCG, i.e. through the NHS (ETTF) grant, and also from S106 contributions secured from housing developers at the Weston Villages. It should be noted that should the costs exceed the indicative levels contained throughout this report, then these will be funded by the CCG, and not the Council.

5.5. Similarly, the preparation, design and procurement costs totalling £278,730 to be incurred by the Council, will also be fully funded by the CCG. The Council is not exposed to any potential cost over-runs.

6. LEGAL POWERS AND IMPLICATIONS

6.1. This appointment is made in accordance with the requirements of the Procurement Hub Framework which has been tendered nationally by Places for People (PFP). This framework is compliant with Public Contract Regulations (2015).

6.2. PFP is a Contracting Authority and the members of PFP's Procurement Hub are entitled to call off Goods and Services in accordance with the provisions of this Framework Agreement.

6.3. PFP placed a contract notice, reference 2018/S 023-047577 in the Official Journal of the European Union on seeking expressions of interest from contractors for the provision of contractor works and services via the Major framework to members of the Procurement Hub under a framework agreement. Willmott Dixon were awarded the contract accordingly.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

7.1. The GP Surgery / health centre will be constructed to BREEAM assessment standards which is the most widely used environmental assessment method. It provides clients, developers and designers with the following:

- Market recognition for low environmental impact buildings
- Assurance that best environmental practice is incorporated into a building development
- Inspiration to find innovative solutions that minimise the environmental impact
- A benchmark that is higher than regulation
- A tool to help reduce running costs, improve working and living environments
- A standard that demonstrates progress towards corporate and organisational environmental objectives.

7.2. There is an expectation that the BREEAM assessment will be carried out at RIBA stage 4 technical design stage.

8. RISK MANAGEMENT

8.1. As the Council are constructing and managing this project on behalf of the CCG all discussions to date have confirmed the requirement to ensure that the Council is not exposed to any financial risks associated with the project delivery. This means that the project funding needs to be agreed and funds transferred to NSC before the end of March 2020, and that the CCG accept responsibility for any expenditure over and above planned sums.

8.2. Ordinarily the rental or lease of premises would result in an exempt supply of VAT and risk breaching the Council's partial exemption limit on a development of this scale. It is proposed that this will be mitigated by the charging of a peppercorn rent, although will be reviewed and a further update provided within the December 2019 report.

8.3. It is anticipated that the long-term lease of the land and building to the CCG will be provided on a full-repairing method, meaning that the GP practice will be responsible for its ongoing repairs and maintenance.

8.4. The project is dependent on the following processes:

- 8.4.1. Formal approval of funding through ETTF and confirmation of S106 sums within agreed timescales, meaning that forward funding is not required
- 8.4.2. Sign off and approval of the full business case by CCG and the Council
- 8.4.3. Approval of planning consent following land transfer agreement, new build and car parking

8.5. The project management/design costs that will be undertaken prior to the confirmation of ETTF funds will be met by the CCG, even in the event of not securing ETTF funds to continue with the project.

8.6. Management of the risks associated with this project will be monitored through the following methods:

- 8.6.1. Risk and issue management strategy including mitigations;
- 8.6.2. Risk workshop with key stakeholders;
- 8.6.3. Production and management of a Project Risk Register;

8.6.4. Project delivery manual which details all key elements for project management and delivery.

9. EQUALITY IMPLICATIONS

Have you undertaken an equality impact assessment? Yes/No

9.1. A full EQIA will be undertaken as part of the project design and development phase.

10. CORPORATE IMPLICATIONS

10.1. The provision of key enabling infrastructure and educational facilities and the improvement of the transport network widely supports the Corporate Plan objectives in all areas of Prosperity and Opportunity, Health and Wellbeing and Quality Place.

11. OPTIONS CONSIDERED

11.1.

	Option	Current Discounted/Shortlisted Status
1	Do Nothing	Discounted – This option will not address the primary care requirement of population growth
2	Don't build a Health Centre on the new Parklands Village but expand surrounding GP practices	Discounted – This option does not meet the essential requirements due to constraints of existing buildings and levels of population growth
3	Build a smaller type building on the new Parklands Village that could be expanded at a future date	Shortlisted
4	Build a large facility on the new Parklands Village with the option of multiple use	Shortlisted
5	Build a new GP hub in Worle on the Worle Health Centre Site that would accommodate patients from Weston Villages	Discounted – This option does not meet the essential requirements of the villages population and is not sustainable as an option for Weston Villages and also for Worle

11.2. Option 3 and 4 were shortlisted as the most suitable options. It was determined that a minimum of 560m² would be needed for a local practice to occupy and that this could be constructed with scope to expand at a future date if required (option 3). Alternatively, a larger facility could be constructed to accommodate future health needs.

11.3. From both a financial and non-financial perspective it was decided to progress with a

smaller building (option 3) which represents the best value for money whilst not discounting the option to expand in the future in additional space is needed.

11.4. The decision was made to procure a contractor through procurement hub framework as the timescales were too tight to accommodate an open tender bid.

11.5. Designs to RIBA stage 3 were essential to provide the level of information necessary for the Full Business Case which will be submitted September/October.

AUTHOR

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APPENDICES

N/A

BACKGROUND PAPERS

CCG Outline Business Case