



# **Stansted Primary Care Centre**

**Business Case**

**January 2014**

## **Foreword**

We are pleased to present this Final Business Case which sets out the proposal for the development of a new primary care centre for Stansted Mountfitchet. Within the CCG we are striving to improve and develop primary care as part of our transformational plans and purpose built premises such as this proposal are key drivers for delivery of our transformational plans.

New primary care premises in Stansted was originally proposed in 1995, it has been considered, re-considered and agreed by both Uttlesford PCT and West Essex PCT. This business case is proposed as a legacy commitment, although remains more relevant than ever before. It is now time to deliver on the proposals made in the past and provide the patients of Stansted with a health centre that meets their needs.

Population growth in and around Stansted has been, and continues to be significant. The current premises are unfit for purpose to deliver modern health services. In addition to this, the current lease on the existing premises is now at risk and the Practice lacks a viable and stable future.

Both NHS England and West Essex CCG strategies propose improved, enhanced and innovative primary care services where practices are able to deliver more services than ever before. Primary care is fully supported and encouraged to consider offering services and care pathways traditionally provided elsewhere. The CCGs transformation plan for the next 10 years sets out how the CCG will support primary care in this ambition. The proposals described in this business case are crucial to ensure that services in Stansted are delivered from modern fit-for-purpose buildings. In light of the changing financial prospects of both the CCG and NHSE the affordability of these schemes has been paramount in the development of this Final Business Case.

Within the practice, service development has been limited by the lack of space and unsuitability of the premises. Investment in the practice remains the lowest in Uttlesford, which reflects the standard of the existing estate. The current premises do not meet disability discrimination legislation; does not offer sufficient confidentiality for patients and is not suitably equipped to house IT equipment. We are looking forward to working with you to develop these new community premises that will provide a modern, fit for purpose, accessible health centre that responds to day to day needs of patients, is able to offer integrated working across healthcare teams and can support a greater range of services delivered within a local setting.

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**December 2013**

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## **Section 1 - Executive Summary**

### **1.1 Introduction and Background**

An outline business case for a new primary care centre in Stansted was approved by West Essex PCT in 2008 (see Appendix A for Board minute) in line with the PCT's strategy for healthcare in West Essex 2008 to 2012. The strategy outlined the PCT's goals for improving the health of the population, supporting people to look after their own health by preventing illness and promoting healthy lifestyle choices.

An important part of this vision was to make sure that the right environments were available to provide healthcare in the place it is needed. One of the priority projects to support this vision was the provision of new and improved primary care facilities in Stansted. The CCG and NHSE have inherited this commitment to provide improved services in Stansted and have advanced the work undertaken by the PCT. The advancement in both national and local primary care strategies has strengthened the requirement for high quality, fit for purpose primary care premises. This business case is presented both as a legacy commitment and a means to deliver on local transformational plans.

This business case proposes the investment of an estimated £3.9 million in primary care premises for Stansted (net present value of rental commitment over term of the lease). It adopts a 5 step model and identifies the need for the investment, the strategic context in which it fits, the benefits of the expenditure, commercial viability, affordability and proposed delivery of the project.

The development will be a third party development whereby the developer acquires the site, builds the facility and leases back to NHSE, Stansted GP Practice and potentially, an NHS dental practice.

### **1.2 Uttlesford Locality**

Uttlesford has a population of 85,358 registered patients with 11 practices. Its demographic profile generally mirrors that of the UK. The population is generally affluent and healthy but there are pockets of deprivation. A major exception to the national profile is the rural nature of the patch and subsequent difficulties in accessing services.

Uttlesford is experiencing significant population growth from new housing developments, with the additional pressure of an ageing population.

### **1.3 Strategic context**

The CCG's Vision for Health and Social Care (2013) is a 10 year vision from 2014-2024 which captures the emerging vision of what future health and care provision might look like. The vision is of the NHS working in partnership with other organisations (social care, voluntary sector etc.) in delivering integrated care. Key to this is increasing activity in the community which relies on access to a modern and flexible infrastructure in both community and primary care premises. The Stansted development proposed within this business case



would ensure appropriate additional capacity to deliver services in a community setting in order to deliver integrated services.

NHS England has recently launched Improving General Practice - A call to Action, this call to action states that NHSE's "aim is to enable general practice to play an even stronger role at the heart of more integrated out-of-hospital services that deliver better health outcomes, more personalised care, excellent patient experience and the most efficient possible use of NHS resources".

Key to achieving these aims and pledges is adequate, well-equipped and purpose-built primary care facilities.

The practice have outlined the benefits of the proposed new build in a number of key, SMART objectives, these objectives demonstrate the numerous benefits and improvements to patient experience that the new build would facilitate.

#### **1.4 Case for change**

The key drivers for the development of a new Primary Care Centre in Stansted are as follows:

- A total of 720 new housing units have been developed on the former Rochford Nurseries site situated on the south east corner of Stansted Mountfitchet. This development is now known as Forest Hall. Further residential growth is predicted.
- There is insufficient physical capacity to meet the increase in health provision required to address the population growth forecast.
- The lease term of the current GP practice has expired, and although a rolling extension of the lease continues, the landlord is keen for the site to be vacated and the practice is expected to have agreed alternative accommodation as soon as possible.
- There is currently no NHS dental provision in Stansted. The proposed primary care centre would provide the opportunity to offer this. An interested NHS dentist is in direct negotiation with the developers.
- The current premises provide poor quality estate. The GP practice requires significant investment to comply with the Disability Discrimination Act. The premises offer patients a poor environment and staff poor working conditions. This is replicated within the Stansted community clinic where community health services are delivered.
- Current premises will restrict the development of local health services in response to national policy and both CCG and NHSE strategy.

#### **1.5 The preferred option**

Having established a need for a health facility in Stansted a number of options have been evaluated to recommend for investment a preferred option (*detailed in section 4*).

The preferred option is to develop the primary care centre on the former Castle Lotus Garage site, off Chapel Road and close to the railway station in Stansted, this site offering:

- Sufficient capacity to accommodate current primary care and community services, the increase in health provision to address the forecast population growth and sufficient capacity and flexibility to develop new models of care.
- Detailed planning consent has been secured for the provision of health services.

- Deliverable within the required timescale. The developers have both funding and contractors in place to implement the scheme immediately
- The opportunity to develop a purpose built facility maximising the space available and allowing most efficient use of facilities.
- Good vehicular access with access to excellent public transport links and ample provision of car parking adjacent
- The developers are at an advanced level of planning. Planning for the site also includes potential provision of a dental practice.

It is noted that a town centre location is the preferred option of the people of Stansted and the surrounding villages. The Castle Lotus site is owned by the Hilton Group. It is proposed that the GP's take the Head lease for the facility for a period of 21 years under Tenant Internal Repairing lease (TIR) terms. NHS Property Services (NHSPS) will take a back to back lease for the community services and sub-let to SEPT.

### **1.6 Evaluation of Sites and Stakeholder support**

The search to identify options for the location of a health facility started in 1995. The PCT previously evaluated a total of ten sites against key criteria before selecting the Castle Lotus site as the preferred option. Detailed planning consent was granted by Uttlesford District Council on 17<sup>th</sup> October 2012. The CCG is confident that all available sites have been evaluated.

The PCT had extensive discussions with Uttlesford District Council, UDC planners and Stansted parish council throughout the process of identifying potential sites. Stansted Parish Council and Stansted GP practice fully support the preferred option as the best way forward to ensure the provision of high quality primary care services in Stansted.

### **1.7 Investment and Revenue Consequences**

The local health economy has benefited from low premises costs for both the GP practice and the community clinic for a number of years. This low investment is reflected in the poor standard of accommodation provided.

Investment is now required to support this development and honour the previous commitments made to the practice, and population of Stansted.

Rent has been agreed with the developers on the basis of £212m<sup>2</sup> including car parking costs (£203.33m<sup>2</sup>+ £474 per car parking space). This equates to £233,369. Rent has been apportioned based on utilisation of space; this apportionment has been calculated at £166,615 to the practice (71.4%) and £66,734 (28.6%) for community space.

The overall revenue consequence is £293,018 for the Practice space and £163,534 for the community space.

### **1.8 Capital Investment**

£450,000 is required to equip the new build. This includes £200,000 for IT equipment and infrastructure and £250,000 for non-medical equipment. The IT equipment will be funded by the CCG. The practice has requested support from NHSE towards the non-medical equipment. £288,000 has been received from Croudace homes under a section 106 agreement. It is yet to be decided how this shall be used, it may be used to facilitate a rent-



free period or for a contribution toward equipping the new build. We would welcome views from the committee on how this should be used.

### **1.9 Next Steps**

Planning permission is in place, internal plans have been produced and agreed and draft heads of terms have been agreed. Once approval of this final business case is obtained the project can move into the construction phase. The CCG, NHSPS and NHSE will remain involved with the development until construction is completed and the practice and community services have re-located to the new site.

## **Section 2 – Strategic Case**

### **2.1. Introduction**

An outline business case for this development was approved by West Essex PCT in 2009. An extract from the minutes of this meeting are attached as Appendix A.

The development of a primary care centre in Stansted will give local people access to a high quality, state of the art modern health facility. The development will bring investment in primary and community care facilities in Stansted up to the level of the rest of the Uttlesford locality. In line with National, CCG, and NHSE strategy the centre will facilitate an integrated approach to primary and community services and will afford the opportunity for further service innovation and development. The development will provide a potential opportunity for local people to have access to an NHS dentist and it is also hoped that the centre will become a focal point or hub for the Stansted community.

The proposed development is supported by local clinical leads both within the CCG and within Uttlesford locality. The development is also supported by NHS Property services and NHS England.

### **2.2 Local Strategic Context**

West Essex CCG's Integrated Plan 2013/14 to 2015/16 promises the population of West Essex that

“We will support you to maintain and improve your health; when you are not well we will help you to access the right care at the right place and time.

We will do this by:

- Re-designing care pathways to ensure simplified access to services, reduced duplication and a smooth transition between care settings
- Transferring activity that currently takes place in hospital into a community and primary care setting where clinically appropriate
- Making sure that the most acute care is provided by hospitals that have the necessary specialist staff and facilities”

Central to the delivery of this plan is adequate premises to meet the needs of practices to deliver core services and to develop to offer additional services as they move from secondary care to primary care.





The CCG's Vision for Health and Social Care (2013) is a 10 year vision from 2014-2024 which captures the emerging vision of what future health and care provision might look like. The vision is of the NHS working in partnership with other organisations (social care, voluntary sector etc.) in delivering integrated care. Key to this is increasing activity in the community which relies on access to a modern and flexible infrastructure in both community and primary care premises. The proposed Stansted development would ensure appropriate additional capacity to deliver services in a community setting to deliver on these plans.

Although in editorial phase, NHSE Primary Care Strategy also focusses on better utilisation of primary care and the requirement for Primary Care to offer services beyond core services and potentially provide activity traditionally undertaken within hospitals. This dovetails with the CCG strategy and also requires appropriate premises to be in place to undertake such activity.

### **2.3 National Strategic Context**

The NHS Constitution for England (March 2013) states that the NHS has a commitment "To ensure that services are provided in a clean and safe environment that is fit for purpose, based on national best practice (pledge)"

NHS England has recently launched Improving General Practice - A call to Action, this call to action states that NHSE's "aim is to enable general practice to play an even stronger role at the heart of more integrated out-of-hospital services that deliver better health outcomes, more personalised care, excellent patient experience and the most efficient possible use of NHS resources".

Key to achieving these aims and pledges is adequate, well-equipped and purpose-built primary care facilities.

In order for out-of-hospital care to be delivered more locally NHSE, the CCG and NHS Property Services need to continue to put the appropriate infrastructure in place, developing a new generation of health facilities where:

- A wide range of health and social care services can work together to provide integrated services to the local community
- Services will complement hospital activity.
- Health specialists working alongside generalists are able to provide care covering less complex conditions.
- Patients can access diagnostic tests locally.
- Patients can access a range of elective day case and outpatient surgery for simpler procedures.
- Patients will be offered intermediate *step-up* care to avoid unnecessary admissions and *step-down* care for recovering closer to home after treatment.
- Social services will be fully integrated with health services providing a one stop shop approach for people to help them access support in the home.
- Patients can access the support they need for the management of their long-term conditions.

An overriding principle is the need to ensure integrated services not only between NHS and social services, but also other statutory agencies as well as the community and voluntary

sectors. Integrated services such as these require premises suitable for housing multi-agency professionals who can offer a multitude of services that cater for patients in a holistic manner.

#### **2.4 Uttlesford Locality Population Profile**

Uttlesford is a largely rural area of approximately 250 square miles. The key population centres are Saffron Walden and Dunmow with significant housing development in progress at Takeley and Stansted Mountfitchet. Uttlesford has a registered population of 85,358, as at October 2013.

The population of Uttlesford population generally mirrors that of the UK but with fewer younger (15-44 years) adults, and more middle aged adults and 5-14 year olds. This may indicate that a percentage of this group leave the area to pursue higher education or careers and is also a reflection of the relatively high local house prices. Many 30+ year olds will return to the area with young families to settle here. From 40 to 60 years there is a considerable bulge in the population which has major implications for the CCG in terms of developing local services to meet the needs of an ageing population.

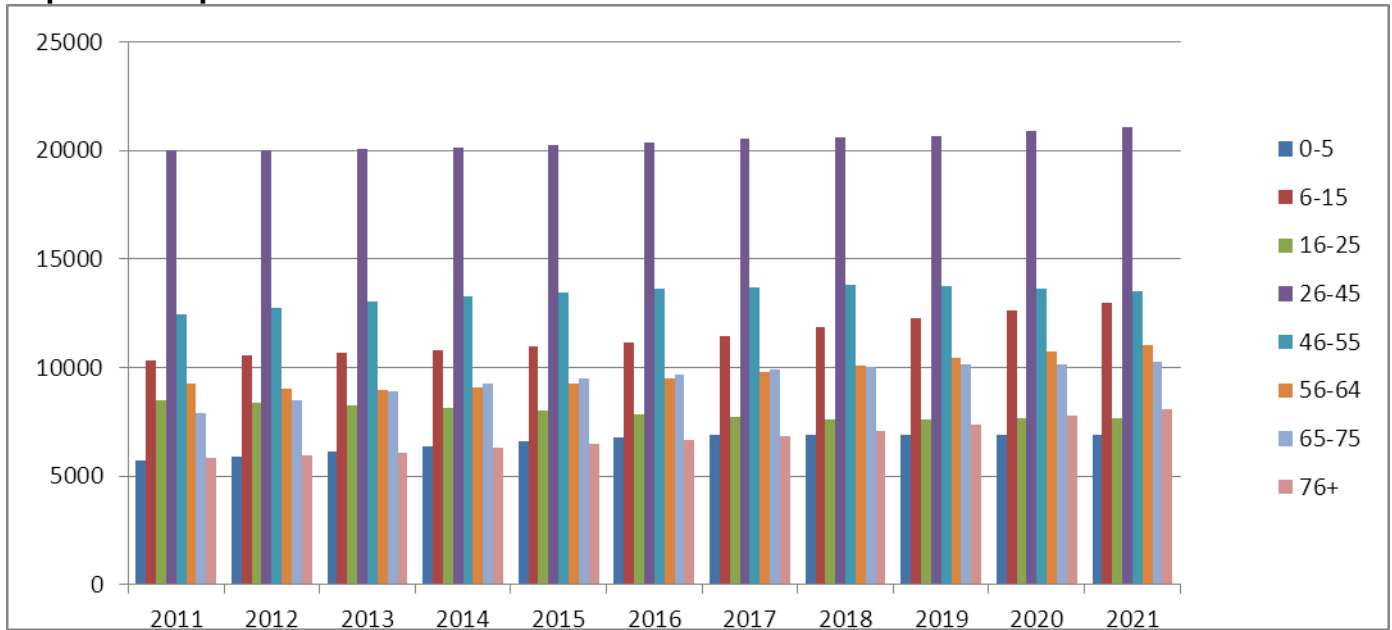
Average life expectancy is a good indicator of overall population health and is affected by many factors including social and economic deprivation and people's lifestyles. Life expectancy for males in Uttlesford district is currently around 76.3 years, although for females the life expectancy is higher, at around 83.3 years compared with best figures for England of 83.1 and 87.2 for males and females respectively (source Uttlesford Health Profile 2008, APHO Dec 2010).

The older population of Uttlesford is growing faster than the average for the UK. The table and graph below demonstrate the anticipated growth in the older population within Uttlesford.

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>0-5</b>	5713	5898	6137	6355	6595	6792	6894	6914	6921	6922	6919
<b>6-15</b>	10347	10536	10662	10808	10951	11170	11477	11879	12271	12632	13008
<b>16-25</b>	8517	8389	8283	8130	8025	7867	7713	7622	7619	7641	7664
<b>26-45</b>	20021	20030	20070	20157	20240	20390	20541	20588	20695	20909	21085
<b>46-55</b>	12478	12771	13040	13273	13465	13613	13707	13829	13749	13639	13521
<b>56-64</b>	9242	9022	8989	9069	9264	9513	9795	10084	10419	10728	11014
<b>65-75</b>	7884	8481	8918	9262	9497	9652	9888	10032	10157	10145	10276
<b>76+</b>	5830	5956	6099	6282	6475	6683	6826	7065	7367	7770	8082
<b>All Ages</b>	<b>80032</b>	<b>81083</b>	<b>82198</b>	<b>83336</b>	<b>84512</b>	<b>85680</b>	<b>86841</b>	<b>88013</b>	<b>89198</b>	<b>90386</b>	<b>91569</b>



### Expected Population Growth – Uttlesford.



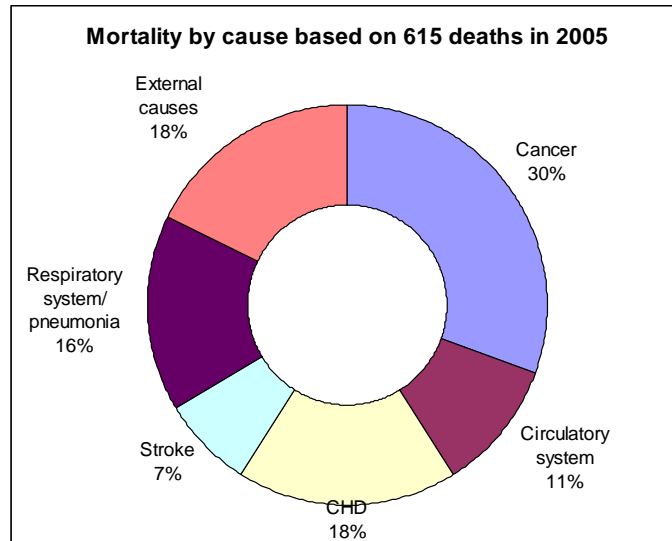
Source: West Essex CCG JSNA . November 2013.

The fertility rate in West Essex is also above national average which - combined with increases in the population of child bearing age - could indicate demand pressures in the future for maternity & children’s services.

The population is generally affluent and healthy but there are pockets of deprivation which are the focus for a range of public health activity. Indices of multiple deprivation rates have shown Uttlesford as being within 10% of the least deprived areas in England and Wales. The key exception is geographical access where it is one of the worst, due to the rural nature of the area. Consequently, location and geographical access are the most important factors when developing or commissioning services and transport remains a top priority.

In 2012 Uttlesford had a working age employment rate of 91% (Uttlesford Community Safety Partnership Strategic Assessment 2012). The rate is above the East of England average of 82%.

In line with the rest of the country, the most common causes of death in Uttlesford district are coronary heart disease and cancers. These key health problems are the focus for a comprehensive programme of preventative activity, led by the public health team, to encourage and support people to lead a healthier lifestyle. The Chart below illustrates the Mortality by Cause for Uttlesford locality:



## 2.5 Current Registered Practice Population

The Stansted practice has a current registered population of 8,871 patients. The practice's catchment area covers the villages of; Stansted Mountfitchet, Manuden, Birchanger, Elsenham, Henham, Ugley, Ugley Green, Mole Hill Green, Farnham and Quendon. Its catchment area will mean it also registers patients from Bishop's Stortford and Thorley.

The practice's main catchment community is the village of Stansted Mountfitchet with a resident population of 6669 (2011 Population Census).

The nearest GP practices to Stansted are: Dr Lort and Partners, a four partner practice with a registered population of 7971 patients, in Newport and Dr Schofield and Partners, a three partner practice with a registered population of 5,351 patients, in Elsenham. There are two large practices in Bishop's Stortford. The local population including Stansted is also serviced by Herts & Essex Community Hospital. This hospital provides outpatient services, X-ray facilities and a Minor Injuries Unit.

The practice's population has increased from 5956 in 2001 to 8871 in 2013. This is an increase of almost 49% yet the practice continues to operate within the same premises.

## 2.6 Future Population Growth

Significant population growth is anticipated across Uttlesford over the next 10 years, including within Stansted, Great Dunmow, Elsenham and Takeley. The Rochford Nursery site development, comprising approximately 670 dwellings, was granted planning permission in 2004 and 2011 and is largely complete and occupied.

Other proposed residential developments in, and around Stansted are:

- St Mary's Primary School, St John's Road, Stansted (35 dwellings);
- The Orchard, Elsenham (51 dwellings);
- Land West of Station Road, Elsenham (155 dwellings);
- Land West of Hall Road, Elsenham (130 dwellings);
- Land South of Stansted Road, Elsenham (140 dwellings);

- Land to the rear of Takeley Primary School (75 Dwellings)

## 2.7 Implications of Population Growth

The implication on the population of Stansted of these developments based on the average of 2.4 residents per dwelling is estimated to be:

Site	Expected date of completion	No. of units	Estimate population growth
St Mary's Primary School	2019	35	84
The Orchard	2017	51	122
Land West of Station Rd	2019	155	372
Land West of Hall Rd	2018	130	312
Land South of Stansted Rd	2019	140	336
Land at and to the rear of Takeley Primary School	2019	75	180
<b>Total</b>		<b>586</b>	<b>1406</b>

Based on current indicators this would require at least one/two additional GPs. Similarly this growth in population will also require additional capacity from other professionals such as District Nurses, Health Visitors and General Dental Practitioners. This additional health provision cannot be accommodated in existing premises.

## 2.8 Major Housing Developments

The area has already experienced a number of housing developments, major improvements to the A120 route and a steady increase in passenger throughput at Stansted Airport.

Additional significant growth is forecast over the next two years with large housing developments underway or proposed for Great Dunmow, Takeley and Stansted.

In 2008 permission was granted for the increased use of Stansted Airport to 35 million passengers per annum. Although the Airports Commission is still developing views on the UK's future airport capacity needs, it currently considers that there is a need for some net additional runway capacity in the south east of England, which may involve greater usage of existing spare capacity at Stansted Airport. Therefore, it is likely that increased residential growth would be required to meet the needs of those directly and indirectly employed at the airport as a result of its expansion.

The PCT submitted representations to the draft Local Plan consultation (dated July 2012), seeking to ensure that a suitable strategic and local planning policy framework is in place to provide for an appropriate level of guidance and certainty to inform subsequent health strategies and development control decisions.

Further consultation on the Council's preferred level and distribution of planned residential growth within the draft Local Plan is expected to take place late in 2013/ early 2014. NHS Property Services, NHS England and West Essex CCG will continue to work closely with



Uttlesford District Council in order to ensure that the Plan's policies take account of the realistic availability of NHS resources as well as opportunities for development-led private investment to contribute to the provision of necessary related healthcare infrastructure.

This business case does not address the population increases anticipated in the Stansted area due to airport expansion. The levels of population growth would warrant an additional health premises provision and will be addressed separately across health economies.

## **2.9 Stansted Surgery Objectives**

As a practice, we have developed a number of SMART objectives which outline the benefits that are anticipated from the new building:

### **Appointment Access**

Stansted Surgery would like to offer its patient population **more** appointments and at a more convenient time to the patient.

Currently we can only offer 3.5 whole time equivalents for 8900 patients, which clearly is not enough and it is even more of a concern with the ever expanding population and new housing developments.

We should be offering 4.5 whole time equivalents but due to the limited space, facilities and consequently personal in our current premises we are unable to achieve this. Unfortunately this results in longer waiting times, poor results in the staff survey and unhappy patients which often are quite aggressive and threatening towards the members of staff.

***By the opening of the new premises in 2015 we will be able to offer 4.5 WTE GPs.***

### **GP & Nurse Training**

At present there are a limited number of training practices within the locality which can only slow down improvement in healthcare. Therefore with more space and facilities we could offer positions for GP registrars and Nursing Students from outside the area which in turn can only improve the care of the healthcare of the patient population as it brings in new ideas, research and up to date technology.

***We commit to being able to offer positions for both GP registrars and nursing students by Spring 2016.***

### **Minor Operations Clinic**

Currently our Minor Operation/IUCD clinic waiting lists are high, due to limited available space in our currently premises, trained staff and patient demand.

It is hoped with a new Minor Operations Suite we can offer more dedicated appointments for our patients to meet demand and consider offering our facilities to other surgeries, thus bringing down the referral rate and costs to secondary care.

***By the end of 2015 we will have doubled our appointments for minor operations/IUCD clinics and will have entered into discussions about alternative uses for these facilities.***

### **Mental Health/Counselling/Alternative Therapies Clinics**

Currently there is a high demand for mental health support thus being able to offer a counselling service in a confidential comfortable environment for patients in their local GP surgery could only be beneficial in the short and long term care of their mental health, additionally being able to offer rooms for other holistic and alternative therapies will benefit our patient population.

Currently we cannot offer these services due to the limited availability of rooms in our current domain.

***By the end of 2015 we will be working with our mental health and voluntary sector colleagues to ensure that counselling services are offered from the premises.***

### **Community Teams and Integration**

Having an eclectic approach to health care and having the availability of different disciplines under one roof will make access easier for patient both young and old and in turn will also help the clinician's access further advice and support as necessary.

Currently unfortunately we do not have the space or the facilities to accommodate a pro-active community team or to house visiting consultants/secondary care colleagues.

***By the end of 2015 we will be offering a fully integrated service, working closely with our community and secondary care colleagues. This will be demonstrated by MDT working and improved education for clinical staff.***

### **Disabled Access**

Currently our premises does not lend itself sufficiently for disabled access, due to it being a converted and extended house in a busy residential area with no scope for extending or alterations i.e. lifts or widening of doors.

It has very steep narrow stairs which are not conducive to mothers with young children, the elderly, those with disability or paramedic accessibility.

The GP's and Primary Care Practitioners are currently located on the first floor, consequently this means availability becomes a premium for downstairs rooms at very busy times when they will be in use by the Practice Nurse and Health Care Assistants.

Moving into new purpose built premises will enable the entire patient population easy access to all of our services.

***Once occupied within the new building, the Stansted Surgery will be able to offer a fully DDA compliant building for our patients.***

### **Confidentiality**

Due to the fabrication of our currently premises the walls are very thin which doesn't allow for total confidentiality of patient consultations.

This has been addressed in the past with music playing in the waiting rooms but unfortunately this is not always sufficient.



With the layout of the new building and its acoustic fabrics hopefully this will allow total confidentiality and confidence for patients and clinician.

***Once occupied within the new building, the Stansted Surgery will be able to offer a fully confidential service for our patients.***

### **Health and Safety of our patient and staff**

Our existing premises have failed health and safety inspections on numerous counts. The main problems that are of a huge concern for our patients are the stairs, cramped waiting rooms and unsuitable consultation and treatment rooms.

Infection control is poor due to the fabric and age of the building, the administration rooms are hot and stuffy due to the IT server being in an adjacent toilet with no air-conditioning in the building.

The upstairs waiting room in the summer comes very hot and sunny and can only be served by a low placed window on the landing which can be a risk for young children.

We hope to provide a better, safer and more conducive environment for our staff and patient population.

***Health and Safety issues within the practice will be resolved in the design of the new build and Stansted Surgery will be able to offer an adequate and safe service.***

### **2.10 Conclusion**

Overall there is both a national, and a local vision for the development of primary and community facilities. This is needed to support the intended shift of activity from acute to local settings in direct response to patient expectations. National policy has made it clear that CCGs should review plans for major capital investment to ensure that such plans are compatible with a future in which resources and activity will move further into primary care and community settings.

The CCG strategy document makes clear the goals for improving the health of the population, a key component in delivering this is making sure that we have the right environment to provide healthcare in the place it is needed

The practices objectives demonstrate the “on-the-ground” impact that moving to a new, fit-for-purpose build would have on the day to day running of the practice and the numerous benefits that this would have for the population of Stansted.

It is within this policy context, local demographic changes and objectives outlined that the business case for a new primary care centre within Stansted should be considered.



## **Section 3 – Economic Case**

### **3.1 Introduction**

This section will outline and identify the need for this particular investment and establish the criteria by which options for an appropriate site to accommodate such a development have been evaluated.

The key factors that support the need for the development of a Primary Care Resource Centre for Stansted are:

- *Standard of existing estate*
- *Population growth*
- *Expiry of current lease arrangements*
- *Insufficient capacity*
- *To facilitate the future development of primary care and community services in Stansted*
- *Currently no access to NHS dentistry in Stansted.*

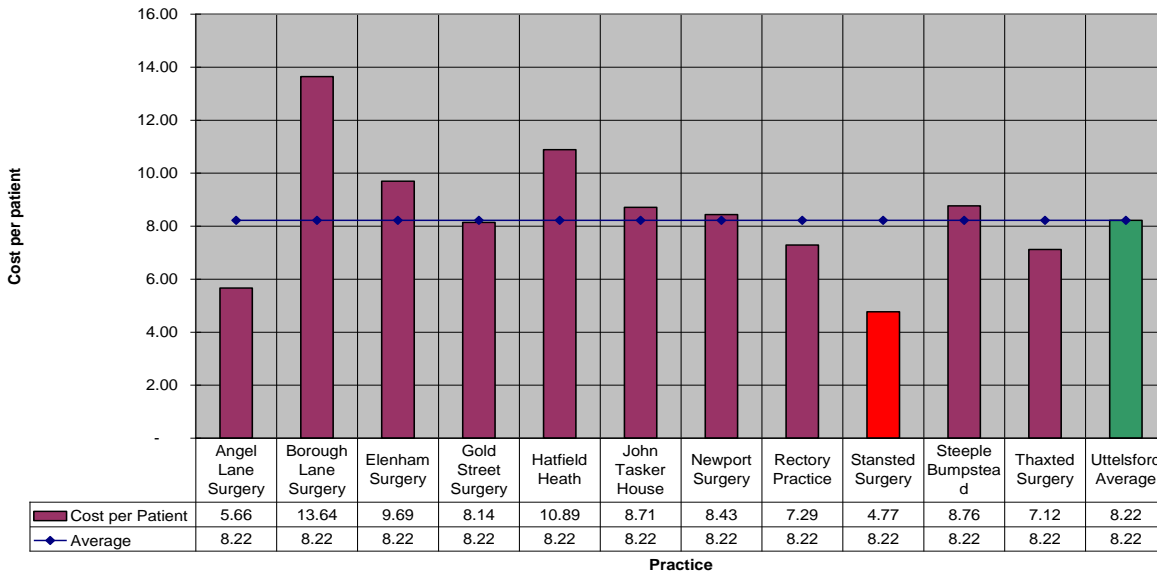
### **3.2 Standard of Existing Estate**

Dr Humphrey and Partners currently practice from The Redlands, a converted house dating back to the 1950's. The premises were converted into a GP practice in 1965 by the then partners. The building is located on a private drive within a residential area in a reasonably central location. The practice has not made any significant investment in the existing premises in recent years on the expectation of the PCT/CCGs intention to build a new health facility in Stansted, and on the basis that expiry of the lease was imminent. The chart below demonstrates the level of investment in premises per patient in 2005. This suggests that historically there has been considerably less investment in the Stansted practice compared to the other areas in Uttlesford.

The graph below shows primary care premises investment per registered patient 2007/08 (and it should be noted that investment has not changed since this time):



**Primary care premises investment per registered patient 2007/08  
(as per actual list size at 1st Jan, 2008)**



**3.3 Premises Surveys**

Under the National Health Service (General Medical Services – Premises Costs) Directions 2004, GP premises are required to meet a minimum standard including compliance with the Health and Safety at Work Act 1974 and the Disability Discrimination Act 1995 (DDA).

To ensure the practice premises meet these minimum standards the PCT was required to undertake a premises survey. The main findings of the Stansted survey were:

- The practice operates under very difficult conditions
- Disability access is only available on the ground floor, special arrangements have to be made for GPs to see patients on the ground floor
- The toilet facility on the first floor is used to house the server
- There are no baby change or baby feeding facilities available
- The clinical rooms have poor acoustic insulation
- The reception located adjacent to the waiting room offers little confidentiality
- Limited patient parking with only 5 bays, there are no dedicated facilities for disabled

It should be acknowledged the difficulties placed on the practice caused by the delays in Uttlesford PCT, West Essex PCT, and the CCG in providing the new premises. The practice should also be commended for their efforts to continue to provide good quality services from these facilities.

Photographs of the current premises can be viewed in Appendix B

**3.4 Disability Discrimination Act**

The PCT commissioned a DDA assessment of all GP primary care premises in 2002. The results of the Stansted survey suggested that the practice would require a significant investment to go some way towards DDA compliance. It is fair to say though that full compliance will not be possible.

**3.5 Community Estate in Stansted**

Community services are currently provided from and based at Crafton Green Community Clinic. Services have been provided from the clinic since 1981. Crafton Green is a Grade II listed building. The premises are owned by Stansted Mountfitchet Parish Council and leased to NHSE. The community team occupy the ground floor of this converted house whilst the parish council occupy the first floor. This facility does not meet the standards of a modern health facility. Due to cramped and difficult conditions the district nursing service had to relocate to Dunmow clinic. The parish council are also keen for the community team to relocate in order to make full use of their facility. NHSE is subject to no penalty clauses when leaving the clinic.

The community clinic is the base for the Health Visitors, School Nurses and up until February 2006 it was the base for the District Nursing team. The Rodings Midwives also use Stansted as one of their main bases of activity. These teams cover the patients of Stansted, Elsenham and Hatfield Heath practices. The team currently consists of:

	<b>Number of Staff</b>	<b>WTE (approx.)</b>
Health Visiting team	4	3.65
Team Leader	1	1.0
School Nurse	2	1.0
Named Nurse	1	0.6
Clinic organiser	1	1.0
<b>Total</b>	<b>10</b>	<b>7.25</b>

The clinic currently provides facilities for child development checks, antenatal and post natal services, speech and language therapy, District Nursing doplars and bandaging, school nurse consultation and a number of group classes.

The current community facilities had a premises survey in 2006 and the premises did not satisfy DDA requirements.

### 3.6 Insufficient Capacity

The need for investment in additional primary care capacity for Stansted was identified back in 1995 with the proposed Rochford Nursery site residential development. The PCT was consulted on this development and identified that this increase in housing would put pressure on capacity within primary care. This resulted in the housing developers making a provision for a primary care centre via S106 Agreements. A contribution of £288,000 has been agreed with Croudace Homes, this will be offset against the costs of the project either in the form of a rent free period or towards the cost of equipping the facility.

In response to the population growth in Stansted, the Stansted practice has, over time, expanded their workforce to meet the stated increase in registered population and to improve and develop services. As a result the practice has out grown the facilities to the extent that they are restricted in implementing any service improvements. The lack of physical capacity has led to the over utilisation of space, poor working conditions for staff and GPs and a poor patient environment. It also hinders the primary care development that is being encouraged by the CCG and is referred to in the strategy section of this document.

As with the GP practice, the services provided by SEPT from the Stansted Community Clinic have out grown the facility, restricting the services that SEPT is able to offer locally. Due to the lack of facilities a number of services are provided off site in either the Day Centre or the Quaker Hall. Chiropody clinics are currently provided from the office in the Day Centre, and a number of mother and baby groups and parent craft classes are provided in the Quaker Hall.

The clinic facilities also provide poor working conditions for staff and offer a poor patient environment. The Parish Council is also keen to see the relocation of the community clinic to allow them to improve access to their own service.

Currently access to NHS dentistry in Stansted is limited to 1 ½ days per week children only. Patients wishing to access NHS Dentistry are required to access services outside of Stansted. The proposed developer is engaging directly with a local NHS dentist in order to potentially offer a facility for a dental surgery on the ground floor.

### 3.7 Expiry of Current Lease

Historically, the PCT, and now NHSE, has faced an increased urgency to find an alternative site for a primary care facility as the original lease on the current premises expired in December 2008. The existing surgery is owned by a retired senior partner and he is keen to serve notice and develop the site.

### 3.8 Current Service

The Stansted practice provides essential General Medical Services and a number of national, directed and local enhanced services commissioned by both the CCG and NHSE. The practice provides clinics for antenatal, babies, asthma, diabetic, CHD and smoking cessation. The GPs and Practice Nurses also provide minor injuries, limited minor surgery, post-operative wound management, IUCD, childhood immunisation and vaccinations and a dedicated counselling service.

These services are provided by the following workforce:

	Number of staff	WTE
GP Partners	4	3
Primary Care Practitioners	2	1.9
Practice Nurse	3	1.78
Health Care Asst	2	1.1
Administration	16	8.3
Management	2	1.6
Counsellors	0	0
Cleaners	2	0.45
<b>Total</b>	<b>31</b>	<b>18.13</b>

The surgery is a non-dispensing practice and is not accredited to train GP Registrars although one partner is an accredited trainer. The CCG and NHSE would wish to support this practice in becoming a training practice.



**3.9 Future Service Development**

As highlighted in section 2 there are a number of local and national initiatives that will require future development of primary care estate to enable primary care and community services to provide:

- Integrated working between all relevant health professionals and other agencies including local authorities and the voluntary sector in the development of health services, children services and social services
- Patients with more choice of what services they are able to access, and how and where they wish to access services.
- A locally focused service, close to people’s homes
- An alternative to hospital admissions through the development of specialist primary care services and the management of patients with long term conditions
- More effective health improvement
- Locally based multidisciplinary working through the sharing of resources and developing skills and capacity.

The CCG’s Vision for Health and Social Care (2013) is a transformational strategy that requires fit for purpose premises in order to enable primary care to provide services beyond that traditionally offered by GP practices. Practices within West Essex are already discussing working collaboratively in order to “bid” for the provision of care pathways for West Essex patients. Uttlesford are pioneering this and are aiming to deliver additional services for respiratory care and diabetic care within 2014/15.

**3.10 Summary of Key Non-Financial Drivers**

In summary the key drivers for the development of a Primary Care Resource Centre for Stansted are:

<b><i>Driver</i></b>	<b><i>Outcome</i></b>
<b><i>Poor quality of existing estate</i></b>	The over utilisation of space leads to difficulties and inefficiencies in service provision. The facilities offer poor working conditions for staff and a poor environment for patients. Current facilities would fail to meet DDA requirements without significant investment.
<b><i>Population growth</i></b>	The registered population has increased by 49% over the past 12 years and is expected to continue to increase further
<b><i>Insufficient primary care and community capacity</i></b>	The current facilities struggle to accommodate the needs of current population and services. Some services are already provided off site. Stansted is particularly poorly resourced with NHS Dentistry. Additional capacity needs to be identified.
<b><i>Timeframe to find an</i></b>	The lease on the practice premises has

<b>alternative site for the practice</b>	expired and the owner has indicated that they would wish to realise the asset as soon as possible.
<b>Restricts further service development</b>	There is an expectation on primary care contractors to develop more local services. Current facilities limit the development opportunities for the Stansted Practice and the CCG.

## Section 4 – Options Appraisal

### 4.1 Introduction

This section identifies the options available, the preferred option and how the proposed option can effectively meet the needs of the local population.

The single key objective is to improve the quality of primary care and community services in Stansted by providing facilities that will:

- Provide a state of the art modern health facility for Stansted, bringing the investment in primary and community care facilities up to the level of the rest of Uttlesford
- Offer sufficient capacity to accommodate the growth in population
- Improve local access to health services by increasing capacity and by offering opportunities for further service development
- Encourage the integration of multidisciplinary locality working
- Enhance improvements in clinical care by improving the physical environment from which services are delivered
- Be deliverable within a timeframe to provide for the relocation of the practice
- Offer good physical access to the population served
- Offer value for money

Since 1995 the CCG, West Essex PCT and its predecessor have been working with estate advisors, community staff, the Stansted Practice and local stakeholders to identify options for the location of a new health facility in Stansted. This search has led the CCG to evaluate a substantial number of options before recommending the Castle Lotus site as its preferred option.

### 4.2 Option Criteria

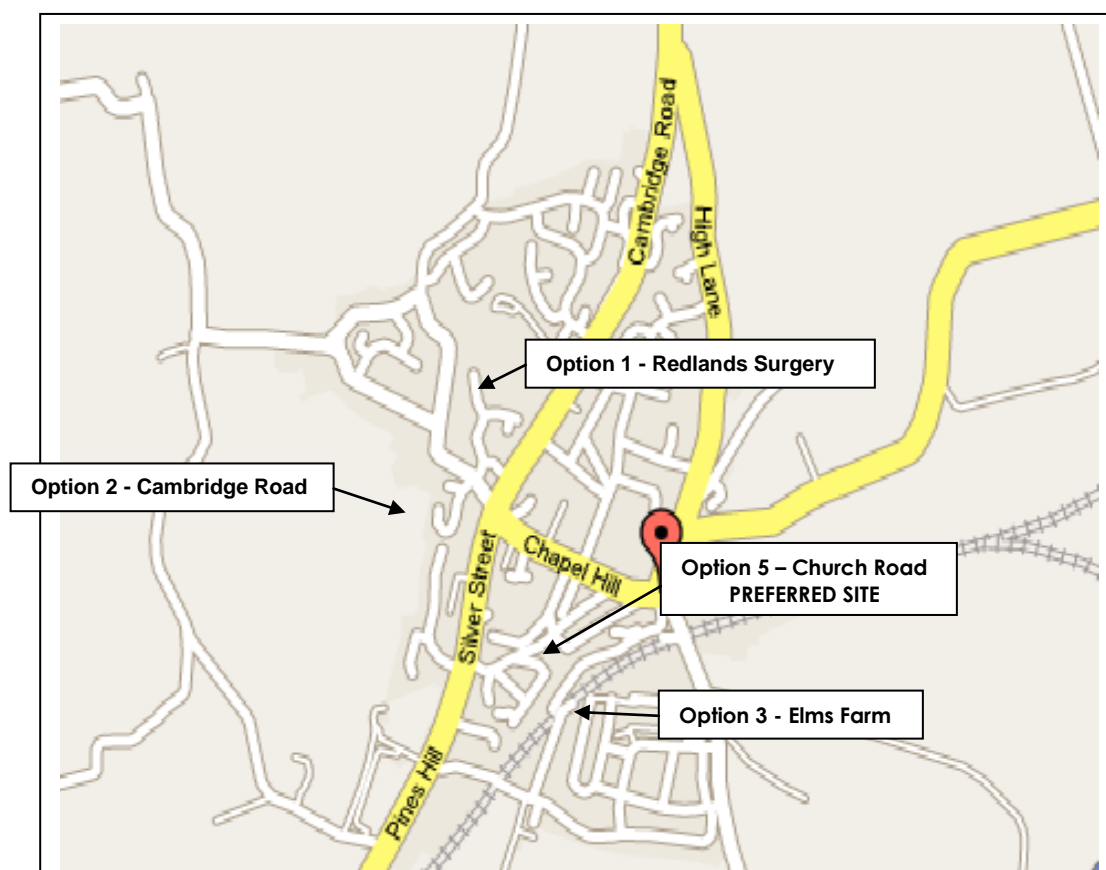
Having established a need for a Primary Care Centre for Stansted the options for its location have been evaluated against the following criteria to ensure the right option has been recommended for investment:

<b>Capacity</b>	Is there sufficient land available to accommodate a health building approximately 1100m <sup>2</sup> ?
<b>Direct access &amp;</b>	Will staff and patients have reasonable and safe

<b>parking</b>	access to the healthcare premise? Is there access to sufficient parking facilities for both staff and patient?
<b>Geographical access</b>	Does the site provide reasonably central access to the main population of Stansted?
<b>Flexible</b>	Does the site offer opportunities for further development in response to increases and or changes in service provision?
<b>Do-ability</b>	Is the option likely to get planning support? How disruptive would a development of a building on this site be to existing services?
<b>Timescale</b>	Can the option be delivered within an acceptable timescale of 18 months from approval of the business case?
<b>Patient experience</b>	Will the option improve and enhance the current patient experience in terms of environment and convenience?
<b>Strategic fit</b>	Will the option deliver national and local aims and objectives?

### 4.3 The Options

The following options were short listed and evaluated. Their locations are highlighted on the map of Stansted below:



**Option 1: Do nothing**

**Option 2: Cambridge Road Site** Uttlesford PCT Board, a predecessor organisation of West Essex PCT, approved a business case for a primary care centre with the preferred option of a third party development on a central site at Cambridge road. A full feasibility study was undertaken. The District Valuers lease valuation for this site on a Tenant Internal Repairing lease was £250K excluding VAT. However, after lengthy negotiations between the PCT and the developer/landowner, agreement to Heads of Terms (setting out the terms of a commercial transaction agreed in principle between the parties) failed. Unfortunately this site is therefore no longer a viable option.

**Option 3: Elms Farm**

This site is to the east of Stansted within the village boundaries in close proximity to the railway station. The proposed land available has dual ownership, access over a local farmers land and land within the green belt, owned by trustees. In late 2004, through representatives of both parties, the predecessor PCT involving the Parish Council, had engaged in negotiations to make available a suitable size plot of land on the very edge of the green belt, adjacent to Church Road.

This site would provide sufficient land. However there were and still remain significant obstacles to obtaining planning permission for this site; departure from the local plan with a risk of planning permission being referred to the Secretary of State, substantial bridge works to widen the railway bridge and improvement to access roads. The responsibility of these works would rest with the CCG.

**Option 4: Rochford Site**

This site is to the south of the main village outside of the perceived village boundary. The site is within the Taylor Wimpey Forest Hall Park residential development on land identified for health services.

The location was met with extensive local opposition predominantly on the grounds of poor access for the majority of patients visiting the health centre. A lack of public transport infrastructure, parking and with access to the site via the existing railway bridge were all causes for concern.

Until the introduction of the Church Road site this was the preferred option on the grounds of the least number of objections.

**Option 5: Church Road Site preferred site**

The Church Road site only became available later in the site identification process. The site is located on the former Castle Lotus show room at the bottom of Chapel Hill in the lower village, adjacent to the access road to the railway station.



At the introduction by the Local Council the Hilton Group (through their agents) entered into negotiations with the then PCT. The Hilton Group undertook a series of feasibility studies to identify both the financial and non-financial viability of introducing the Primary Care Centre into their planned retail and residential mixed use development.

The initial, Council supported, mixed use proposals were rejected by Uttlesford Planning Committee in May 2012. A smaller scheme secured detailed planning consent in October 2012 providing a range of primary, intermediate and community services and their supporting administrative teams. Minutes of this planning committee are attached at Appendix C. Provision has been made for a NHS dentist to be accommodated within the building also.

**Discounted Options**

Options one to four were discounted for the following reasons:

<p><b>Option 1 Do nothing</b></p>	<ul style="list-style-type: none"> <li>• Insufficient capacity to meet current and future demand for services</li> <li>• Substantial investment would be required to improve premises to meet DDA requirements</li> <li>• Premise would still offer poor patient experience and poor working conditions</li> <li>• Facilities prohibit the development of improving local access to health services and prohibits integrated services</li> <li>• Lease term on existing GP practice has expired and an alternative option is crucial.</li> </ul>
<p><b>Option 2 Cambridge Road site</b></p>	<ul style="list-style-type: none"> <li>• Unable to agree Heads of Terms with developer</li> <li>• Relationship with developer compromised due to halted negotiations</li> <li>• Site no longer viable</li> </ul>
<p><b>Option 3 Elms Farm</b></p>	<ul style="list-style-type: none"> <li>• The uncertainties of obtaining planning permission on a green belt site</li> <li>• Access routes, both pedestrian and vehicular require substantial investment which does not make the option viable</li> </ul>
<p><b>Option 4 Rochford Site</b></p>	<ul style="list-style-type: none"> <li>• Access routes, parking, and public transport infrastructure all provide causes for concern</li> <li>• Significant local opposition to site.</li> </ul>

**4.4 Outline of the Preferred Option**

The preferred option presented in this business case is for the provision of a modern purpose built Primary Care centre within the mixed use development proposed on the former Castle Lotus site on Lower Street and which has secured detailed planning consent. The development includes 14 market apartments on the upper floors with three retail units on the ground floor. Discussions are underway with a local dentist and pharmacists to occupy two of the units.



The Castle Lotus site redevelopment proposals include a range of primary, community and intermediate services located within purpose designed accommodation on the first floor.

Access to the clinical accommodation is via a dedicated entrance with stairs, wheelchair accessible and trolley lifts. From this lobby there is also direct access to the ground floor pharmacy.

At first floor the stairs and lifts discharge into a open lobby leading directly to the health centres' main reception. Access to the services is via receptionists of self-registration points with dedicated interview facilities for personal and or sensitive discussions. A large waiting area, overlooked by the reception desk and with convenient, but discreet bathroom facilities, welcomes the patient and their friends and family. The patients pathway is clear with two main access points available to them; through to primary care services with a range of generic exam consult rooms providing GP, nurse practitioner and other primary care services, including minor procedures, or to community services including group activities within the clinic hall, speech and language services and outpatient clinics.

Staff access into and out of the facility is via a staff 'back door' leading off the entrance core. Supporting services are provided in a centralised location between the community and primary care accommodation providing easy access to front and back of house staff. Staff facilities are shared between primary and community staff and are located in this central staff area.

Blue light emergencies to the acute services are via a rear entrance to the trolley lift with ambulance access provided adjacent to the main entrance.

Plans for the development can be found within Appendix D.

**4.5 Initial Feasibility Study**

The feasibility study objectives were to demonstrate that the within the development there would be sufficient area in size and location to allow for the relocation of the GP practice, the community services from the community clinic and to provide sufficient developmental capacity. The proposals would also have to be sufficient to accommodate 33 parking spaces for staff and patients.

**4.6 Schedule for Accommodation**

The proposed accommodation schedule (CMR1a) can be found in Appendix E. A summary is as follows:

Rooms	Mon			Tues			Wed			Thurs			Fri			Sat		
	AM	PM	EVE	AM	PM	EVE	AM	PM	EVE	AM	PM	EVE	AM	PM	EVE	AM	PM	EVE
Consul 1	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr		
Consul 2	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr	Dr		
Consul 3	Dr	Dr		Dr	Dr		Dr	Dr		Dr	Dr		Dr	Dr		Dr		
Consul 4	Dr	Dr		Dr	Dr		Dr	HCA		HCA	HCA		HCA	HCA		Dr		
Consul 5	Dr	Dr		Dr	Dr		Dr	Dr		Dr	Dr		Dr	Dr				

Consul 6	PN	PN		PN	PN		PN	PN		PN	PN		PN	PN				
Consul 7	PN	PN		PN	PN		PN	PN		PN	PN		PN	PN				
Consul 8	HCA	HCA		HCA	HCA		HCA	HCA										
Consul 9	HCA	HCA		HCA	HCA		HCA	HCA		HCA	HCA		HCA					
Consul 10																		
Nurse 1	NP	NP	NP	NP	NP	NP	NP	NP	NP	NP	NP	NP	NP	NP	NP			
Nurse 2	NP	NP		NP	NP		NP	NP		NP	NP		NP	NP		NP		
Treat 1	Dr			Dr			Dr			Dr			Dr					

The schedule demonstrates that the proposed development would be very well utilised by the practice. The additional space would ensure that the practice is able to offer additional GP and nurse sessions, as well as offering additional minor ops.

There is also ample room for additional clinics/sessions. This draft accommodation schedule reflects the delivery of existing services utilising appropriate, current models of care. This will of course be built upon in line with the primary care development work already underway, as outlined earlier within this document.

Access for the following additional services is proposed within the premises:

- Increased minor operations
- District Nursing Leg ulcer clinics
- NHS Dentistry
- Mental health clinics and group sessions
- GP Registrar training
- Health information resource centre
- Access for therapy services, including physiotherapy, occupational therapy and both group and individual speech and language therapy
- Chiropody clinics
- Outpatient facilities
- Health promotion including parenting classes
- Social services and child protection observation facilities

#### 4.7 Additional Capacity

The table below compares the current clinical capacity and the proposed

	Current provision (primary services)	Proposed provision (primary and community services)
Generic consult exam room	7	16 (1 acts as recovery room)
General treatment room	1	1
Minor Ops room	0	1
Dental treatment room	0	3 (under review)
Speech and Language Room	0	1



Health Clinic Hall	1	1
Interview Room	0	1
Counselling room	0	1

The accommodation will be structured to allow for the full integration of services with the use of shared facilities such as, reception, waiting rooms, meeting rooms, generic consulting rooms and staff facilities.

#### **4.8 Car Parking**

Included in the proposal are 28 car parking spaces. 3 spaces will be available for on-call GP's. The additional 25 spaces will be available for use by staff within the Primary Care Centre and for patient use. There are also 5 disabled bays very near to the development in the public car park.

#### **4.9 Summary of benefits**

The non-financial benefits of this proposal to the PCT are:

- An improved location for primary care and community facilities in Stansted, easily accessible and central to the main population
- The development of a state of the art modern health facilities- flag ship for local health services
- Good vehicular access and public car parking
- It provides sufficient flexibility to accommodate proposed developments and future development capacity
- Ease of procurement
- Private sector partnership
- Deliverable project within the required time frame. Earliest occupation Summer 2015.
- A project that has local stakeholder support. Stansted parish council and the GP practice have pledged their support for the project publicly.
- This proposal is based on a third party developer building the health facility to NHS Property Services, NHSE and CCG requirements. No capital acquisition of land is involved.
- The site already has an identified area for a health centre and monies available under the Sect 106 agreement and planning consent for a primary care facility has been granted.
- There is ready access to the site
- Potential access to NHS dentistry for the local community

### **5. Commercial Case**

#### **5.1 Introduction**

The development of the Primary Care Centre will be managed by the practice with support from NHS Property Services in direct partnership with the third party developer of the site (when appointed). The arrangement will take the form of a 21 year lease held between the developer and the practice.

## 5.2 Heads of Terms

Draft heads of terms have been agreed, and the general principles are as follows:

- Tenant – minimum of three doctors to sign the lease.
- Term – 21 years.
- Lease Rent for the primary health care centre £233,349 per annum.
- Development Agreement – building to conform to current NHS design guidance and requirements.
- Rent Reviews – 3 yearly to Market Rent, at the landlord’s instigation but within a period starting six months before and ending three months after the rent review date, being upward or downward rent reviews but never lower than the initial rent.
- Assignment - Assignment by the tenant will require landlord’s consent except where the demise is reimbursed under the relevant NHS funding and is an assignment to either or both of:
  - (a) new or successor partners of the tenant provided that the number of assignees may never fall below 3 individuals and the relevant NHS funding is not adversely affected; or
  - (b) NHS Property Services Ltd or an NHS body or Foundation Trust with a similar covenant strength.
- Repairs – The essence of the agreement will be for the landlord to take an external repairing/decorating covenant and the tenant to take an internal repairing/decorating covenant for the primary health care centre. The landlord will be responsible for repairs to the structure of the building and the replacement of agreed items of plant and machinery during the term of the lease.
- Demise – The lease will be in respect of the inner shell of the building only.
- Insurance – the landlord is to insure the building. The rent is inclusive of this insurance cost and will not be charged separately.
- User – As a Surgery, Clinic or Primary Health Care Centre for the provision of Medical Services under the NHS, other ancillary Primary, Community Health and Social Care purposes and any other primary and community healthcare purpose within the meaning of Use Class D1 of the Schedule to the Town & Country Planning (Use Classes) Order 1987 as originally enacted or such other use providing it does not prejudice NHS funding (GMS or any other NHS contracted service) or other use with landlord consent such consent not to be unreasonably withheld (consent can be withheld if such change of use affects the landlord’s reversion).
- Management & Service Charge – The management of the building and the service charge liabilities of the tenant are to be agreed.
- Landlord & Tenant Act 1954 – The lease shall not be contracted out of the Landlord & Tenant Act.
- Costs – Each party are to bear their own costs associated with the transaction.
- Fixtures & Fittings – A schedule of fixtures and fittings to be supplied and fixed by the landlord are to be agreed prior to the signing of the Development Agreement. A separate schedule of fixtures and fittings to be provided by the tenant but fixed by the landlord will also be agreed.
- VAT – VAT will be charged on the rent and service charge.

Full Heads of Terms can be found in Appendix F

## 5.3 IM&T.

The centre will be compliant with;

- data leakage prevention
- Information Governance Guidelines
- the NPfIT Programmes policies and objectives
- Health and Safety regulations
- contractual terms and conditions

These core compliancy requirements as bulleted above can be used to establish a template for primary care centres but can also contribute to the CCG's wider ICT strategy. This should be considered in four ways;

- efficiency and effectiveness
- business transformation
- service transformation
- sustainability

Cognisance will be maintained regarding NHS initiatives such as "mobile working" which will have a bearing on the design and use of the building.

The new centres will be built to recognised IM&T standards and offer adequate environmental safeguards for security and cooling. The design will have awareness of the existing centres and make use of current assets and disaster recovery techniques such as analogue breakout drop back lines, should the phone service suffer a disruption. A detailed technical proposal will be developed that will have various options for enhanced functionality across the estate. This may include options for Voice Over Internet Protocol (VOIP) which will negate standard call costs as well as many other additional features and benefits.

Cabling will be provided to the specification required by NHS Property Services. The building will be flood-wired with category 5e cabling capable of delivering high bandwidth services such as voice and video as well as sustaining standard data requirements. This will be supplied, installed and tested as part of the building services installation. Wireless technology will be investigated on a cost benefit basis as part of the detailed specification prior to financial close.

The external data circuits will be provided by N3.

The Local Area Network (LAN) will be supported by a combination of Layer 3 and layer 2 capable switches all with power over ethernet functionality. The layer 3 switches will have enhanced images installed thus allowing full functionality with regards to routing, vlans and quality of service.

The cost of implementing this approach is estimated at £200,000 and this will be met by the CCG. A full scope of works, which will incorporate a project plan and detailed cost analysis, will be developed prior to financial close.

#### **5.4 Human Resources (HR) issues**

There are no significant HR issues around transfer of staff from existing premises to the new primary care centre.

The front-line nursing staff may be required to work in a different way to ensure that the new centre is used as efficiently as possible. This will involve the sharing of generic rooms so that rooms are not dedicated to one service and sit empty for large parts of the week and the better use of admin areas. The staff affected by this change in working processes will be fully involved and supported, with their views taken into account before new ways of working are established.

### **5.5 Compliance**

The Primary Care centre will be fully compliant with infection control standards and will be fully accessible for disabled patients.

### **5.6 Environmental Issues (BREEAM)**

It is widely recognised that all new designs for public buildings, including primary care and other NHS facilities, should promote sustainable development by demonstrating an integrated approach to the social, environmental and economic well-being of the area, both now and for future generations.

As such assessments on the proposed design and project specific sustainability proposals need to be undertaken for the Stansted project in accordance with the latest Building Research Establishments Environmental Assessment Methodology (BREEAM) which came into effect in June 2008 and which supersedes NEAT (NHS Environment Assessment Toolkit).

BREEAM sets the standard for best practice in sustainable design and has become the de-facto measure used to describe a building's environmental performance.

The aims of BREEAM are;

- to mitigate the impacts of buildings on the environment;
- to enable buildings to be recognised according to their environmental benefits;
- to provide a credible, environmental label for buildings;
- to stimulate demand for sustainable buildings.

The objectives of BREEAM are;

- to provide market recognition to low environmental impact buildings;
- to ensure best environmental practice is incorporated in buildings;
- to set criteria and standards surpassing those required by regulations;
- to provide innovative solutions that minimise the environmental impact of buildings;
- to raise the awareness of owners, occupants, designers and operators of the benefits of buildings with a reduced impact on the environment;
- to allow organisations to demonstrate progress towards corporate environmental objectives.

Building projects are assessed at the design and post-construction stages using a system of environmental issues grouped within the following categories;

- management;
- health and wellbeing;

- energy;
- transport;
- water;
- materials;
- waste;
- land use & ecology;
- pollution;
- innovation.

### 5.7 BREEAM assessment

The design intent is to provide a BREEAM excellent rated building for the health service. However due to local constraints, and a number of restrictive criteria which the health client is unlikely to be able to comply with, based upon our experiences, it is likely that a very good rating will be achieved. All of the BREEAM credits which the design team can influence will achieve high levels of scoring. For example materials selections, lighting design & energy efficiency, management and commissioning. As the design progress's beyond the current planning approved stage, and a professional team is appointed, a BREEAM pre assessment will be undertaken to determine a predicted rating. In the event that an excellent rating cannot be achieved with the current design, the team will clearly identify where there is a shortfall in credits and identify a strategy to achieve excellent. However, in the event that some credits may be not practical to achieve within cost constraints, or impossible to achieve due to site location, a very good rating is likely and should be anticipated.

Our experience of BREEAM for Healthcare is that the credits below require high levels of scoring in order to achieve an 'Excellent' BREEAM Rating. With the site constraints and location a number of key credits will not be achieved. Whilst it may be technically possible to significantly enhance other areas of sustainability on the project, these will not be areas which add 'value' to the project, and at this early stage would require commitments which may not be realised in reality. For example materials credits and management credits which will require Contractor input.

#### Summary of the key considerations:

##### Energy Related Credits

The building is a mixed use building, and the health part of the building comprises of intermediate floors. The roof area has a minimum area allocated for plant and equipment associated with all of the uses of the building such as residential, retail, commercial as well as health. Therefore with the constraints there is no opportunity for the integration of renewable energy such as solar energy for the purposes of increasing carbon reduction below minimum levels. We will therefore be unable to achieve an 'Excellent' BREEAM performance under the energy requirements.

##### Water Credits

Water related credits over and above the minimum are difficult to achieve since operational conflicts with ultra-low use water appliances and grey water/rain water recycling and the specific requirements of a medical building. Whilst it is technically possible to achieve water recycling, our experience is that conflicts with trust policy will arise, and the correct solution





is likely to be normal water use appliances and fittings to satisfy policy and operational requirements.

#### Ecology Credits

Options for improving and enhancing the ecological value of the site are extremely limited, as we are not creating any open space; neither do we have potential at roof level for green or brown roof. Whilst we can achieve ecology credits, the constraints will not allow maximum ecology credits to be achieved.

#### Flood Risk

The site is located within a flood zone, adjacent to a culvert. We will not achieve BREEAM credits for avoiding construction within a flood zone. Looking at the specifics of the site, locations of the entrance and exit points, the flood risk emergency scenario can be mitigated by design and should in reality not present an issue for the medical centre operations.

#### Transport

Whilst the town has good public transport links, we will not be able to achieve the maximum BREEAM points for cycling due to site layout and constraints, and public transport links.

#### NHS Client Related Credits

Our experience of working with NHS West Essex has been that a number of Client related BREEAM credits are unlikely to be achieved. For example the criteria for energy efficient equipment procurement is very onerous, and in our experience is never achieved since procurement policy and legacy equipment seldom allows compliance with all of the criteria set within the BREEAM scheme. This is a particularly difficult credit to achieve when third party tenants such as dentists are involved, and existing equipment is to be reused.

### **5.8 Public Engagement**

The CCG has worked closely with the Stansted Practice and community teams in the development of the specification of the new development. The CCG will continue this work and also work closely with Stansted parish council and UDC in the development of the design brief and operational policies.

The practice has engaged with patients and the local community extensively over the last 8 years about the need for, and potential options for, a new primary care centre within Stansted Mountfitchet. The parish council have been fully engaged and strongly support the proposal. Local feeling is strong that there is a need for improved and extended GP premises and although there is a recognition that processes are in place to protect the public purse, frustration is evident that the proposals first published in the 1990's are yet to come to fruition. Examples of press articles relating to the development are included in Appendix G.

## **6. Financial Case**

### **6.1 Introduction**

The proposal is for an agreement between the Practice as a Tenant, and Hilton Group as developer/landlord. Development costs will be met by the developer. The GMS space within



the primary care centre will be reimbursed by NHSE and the community space will be sub-leased to NHS Property Services who will in turn underlet to the CCG's Community Services provider.

This is a legacy commitment that both the CCG and NHSE have made a commitment to support.

## **6.2 Value for money**

To demonstrate value for money West Essex PCT engaged Boshier & Company to review and negotiate with the developers. This engagement was continued by NHS Property Services to ensure consistency.

The proposed lease rent equates to a rate of £203.33 per m<sup>2</sup> plus VAT. The comparable evidence of Current Market Rent (CMR) reimbursed to GMS contractors, in accordance with the Premises Costs Directions 2013, for similar accommodation is in the order of £190 - £195 per m<sup>2</sup>. At £195 per m<sup>2</sup> the Current Market Rent would amount to £208,786 per annum plus VAT producing a shortfall of £8,917 per annum plus VAT. This is split as follows: £6,366 p.a. for the GP element and £2,550 p.a for the CCG element.

The additional rent is approximately 5% of the CMR, due principally to the land value of a town centre site.

The proposed lease of the car park provides for 28 car parking spaces. At the proposed lease rent of £13,272 per annum the rent per space equates to £474 per annum. The comparable evidence of Current Market Rent reimbursed to GMS contractors for car parking associated with surgery premises is in the order of £300 per space equating to £8,400 per annum plus VAT. This produces a shortfall of £4,872 per annum plus VAT. The additional rent is approximately 60% of the CMR and is due to the required income from the town council.

The car park rent is determined by the council and the developer will make no profit from this. The high car parking rates is due to the location of the proposed build (being central and near to the railway station) and is in line with season tickets rates. The practice have agreed to reduce the number of parking spaces from 30, to 25. The practice is supportive of green travel and is actively encouraging staff to find alternatives to driving. The proposed new build includes bicycle racks and showers in order to further support green travel for staff.

The options appraisal in section 4 demonstrates the difficulties that the previous PCT has encountered in securing an alternative site.

Given the advanced stage of this proposal it is recommended that a further site search is not undertaken and that commitment to this scheme given by the former West Essex PCT is upheld.

NHS England (to be confirmed), the GP practice (to be confirmed) and West Essex CCG consider that the central location proposed is the most ideal for the population of Stansted.

## **6.3 Key Financial Terms**

The financial evaluation of this business case has been based on the following assumptions:



1. Rent agreed at £210m2 on a total internal area of 1100.8m2
2. The practice will take the lease for the whole space and occupy 609.6m2 (71.4%) of this area for the practice and sublet 243.9m2 (28.6%) for community services. Shared spaces will cover 219.7m2 (19.96%) and apportioned on a pro-rata basis.
3. We would propose that the service charge costs and apportionment of the lease rent can be the proportion of the exclusively occupied areas as follows:

Stansted Surgery (GMS accommodation)	71.4%
Community Services Area (NHSPS)	28.6%

4. Based on these percentages, the annual costs can be apportioned as follows:

Stansted Surgery (GMS Accommodation) – 71.4%	<b>£164,919</b>
Community Services Area (NHSPS Area) – 28.6%	<b>£66,060</b>

5. Whole life term of the lease will cost £3,913,115 (Net present value of annual rent over 21 year term based on 2% depreciation)
6. The lease is for a Tenant Internal Repairing Lease (TIR).
7. The premises will be available for occupation in Summer 2015
8. Equipping the facility is estimated at £450k including £200k for IT. The IT costs are funded by the CCG for the whole facility. The £250k estimated for non IT equipment is apportioned as:

Practice - £178,500k
Community services - £71,500k

The practice has applied to NHSE for support towards the costs of their equipment.

9. Rent reviews will be undertaken every 3 years
10. Prices are subject to 20% VAT
11. The above stated rent, calculations and apportionments include premises rent and car parking rent.

## 6.4 Recurring Revenue Consequences

### Stansted Primary Care Centre

Yr 1 is from Summer 2015 – assuming full year costs.

	<b>GMS Space (71.4%)</b>	<b>Community Space (28.6%)</b>	<b>Total</b>
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<b>Lease Costs</b>	£164,919	£66,060	<b>£ 230,979</b>
<b>Rates</b>	£87,378	£35,000	<b>£ 122,378</b>
<b>Utilities and Internal Maintenance</b>	£77,025	£30,853	<b>£ 107,878</b>
<b>less current premises</b>	-£ 38,000	- £15,225	<b>-£ 53,225</b>
<b>NET ESTIMATED COSTS</b>	<b>£291,321</b>	<b>£116,688</b>	<b>£ 408,010</b>

**Notes:** 1. Revenue consequences for capital expenditure for equipment not yet fully assessed. 2. Internal maintenance based on £98 per square metre (NIA) and excludes unplanned maintenance and security.

## 6.5 Discounted cash flow

The net present value of the lease payments excluding VAT over the life term of the lease equates to £ 3,913,115. Net Present Value is used to show the cost of the lease over the 21 years in real terms (i.e. today's money). Undiscounted lease rates are £4,850,549 over 21 years.

## 6.6 Equipping the Premises

As previously stated, there is the potential to use the £288,000 S106 funding to equip the building, there is also the option of using this to offset the rent within Year 1. We would welcome the views of the Strategic Premises Committee on how this funding should be utilised.

## 7. Management Case

### 7.1 Project management arrangements

Once financial close has been reached and the project moves into the construction phase a construction project team will be established to monitor process. This team will be made up of;

- Hilton Group Representative – the developers representative
- Stansted Surgery representative – the tenant representative;
- CCG project lead;
- NHSE project lead;
- NHS Property Services project lead
- Boshier & Company Representative
- Supply chain representatives as appropriate.

This team will meet monthly.

A user group made up of the providers moving into the centres or CCG representatives where services have yet to be commissioned will be established and will meet regularly throughout the construction phase. A key role for this group will be to finalise the staff handbook, including the operational policy, for the centre.

As construction nears completion a team will be established, led by NHS Property services to co-ordinate the commissioning and set up of the centre and programme a phased relocation of services. Key work streams such as staff recruitment, communications and IM&T will meet regularly during this phase and be managed by the project team.

Once the centre is operational sub-tenancy agreements will be put in place with all providers which will be linked as far as possible to their NHS contracts for service delivery. This will ensure that the premises become available for an alternative provider at the end of their contract.

In order for the CCG, NHSE and NHS Property Services to take the project through to its next stages i.e. the completion of legal arrangements with the developer and the building procurement process, the CCG intends to keep the Project Team structure outlined above with the addition of the engagement of legal advisors.

## **7.2 Key risks to delivery**

There are obvious risks and consequences for the services delivered within Stansted if the option to develop the Castle Lotus site does not come to fruition. These risks relate to:

- The ability to provide sufficient capacity to serve the health needs of the growing population of Stansted
- The ability to develop and improve local health service in response to local and national initiatives
- Impact on the patient environment

However, as a third party development the developer will be responsible for all construction risks and the delivery of a facility in line with agreed specification. Therefore at the point of completing the Agreement to Lease the risks to the NHS are greatly reduced.

At the present time the risks to the NHS are limited to:

1. Agreement that the rent offers value for money
2. Certainty that all specification documentation meets the required standard
3. Non approval of business case
4. Inability to finalise lease negotiations and heads of terms
5. Financial risk around equipping the facility

Measures to mitigate risks:

1. Robust business case with supporting value for money report to be issued by Boshier and co (Jan 2014).
2. Access to professional advisors to ensure specification documentation meets required standards.
3. Robust business case covering multi occupational interests.
4. Access to legal advisors to ensure lease negotiations reach successful conclusion.
5. Robust, detailed quotes with full financial detailing presented to CCG board.

Risks shall be regularly reviewed as the project evolves and responsibility of managing risks will be allocated to whoever is best placed to manage and control it.

## **7.3 Timeline of key milestones for delivery**



<b>Key task</b>	<b>Date</b>
Final Business Case approval - NHSE	January 2014
Final Business Case approval - CCG	January 2014
Financial close	March 2014
Construction starts	April 2014
Completion & handover	Summer/Autumn 2015
Centre open and operational	Autumn 2015
Post project review	Autumn 2016

## APPENDICES

### APPENDIX A:

Extract of minutes of PCT approval of previous business case

**Minutes of the West Essex Primary Care Trust  
Public Board Meeting held in the Lecture Theatre, St Margaret's Hospital,  
Epping on Thursday 27<sup>th</sup> March 2008**

**28/08 Business Case for Stansted Primary Care Centre**

Toni Cole's report was **noted**.

Leigh Fleming thanked Michelle Bassett, Head of Primary Care Commission for Uttlesford, and advised that the Finance and Corporate Services Group have reviewed and approved the business plan.

The Board discussed and **approved** the business case for Stansted primary care centre.

### APPENDIX B:

#### Photographs of current practice



P1020001 (2).JPG



P1020005.JPG



P1020006.JPG

### APPENDIX C:

#### Minutes of Uttlesford Planning Meeting



Planning Committee  
Minutes 17th October

### APPENDIX D:

#### Site Plans



2595\_00\_003E\_17122595\_00\_106F\_0512  
13 Site Plan.pdf



13\_Medical Area Draw

## **APPENDIX E**

### **Accommodation Schedule and costs**



2595\_Stansted -  
Area Schedule\_05121



Stansted equipment  
schedule.xlsx



Stansted -  
accommodation sched

## **APPENDIX F**

### **Draft Heads of Terms**



Stansted Primary  
Care Centre - Draft H

## **APPENDIX G**

### **Examples from Press**

[http://www.dunmowbroadcast.co.uk/news/time\\_running\\_out\\_for\\_proposed\\_stansted\\_health\\_centre\\_1\\_1188240](http://www.dunmowbroadcast.co.uk/news/time_running_out_for_proposed_stansted_health_centre_1_1188240)

<http://www.stansted.net/post/3fca219b116366fcddf72401e20f588f6171a064>

<http://www.hertsandessexobserver.co.uk/News/Uttlesford/Lease-negotiations-delay-new-Stansted-health-centre-20131105173049.htm>

<http://alandean.mycouncillor.org.uk/2013/11/18/will-stansted-residents-every-see-their-promised-new-health-centre-in-lower-street-cautious-optimism-from-nhs/>

<http://www.hertsandessexobserver.co.uk/News/Uttlesford/Stansteds-much-needed-new-health-centre-delayed-again-17112011.htm>

<http://www.hertsandessexobserver.co.uk/News/Uttlesford/Warning-of-health-care-crisis-in-Stansted-as-plans-for-new-doctors-surgery-drag-on-05082011.htm>

<http://www.hertsandessexobserver.co.uk/News/Uttlesford/Stansted-residents-promised-progress-on-GP-surgery-plan-26052011.htm>