AGENDA ITEM: 2018-54

PRIMARY CARE COMMISSIONING COMMITTEE

1. Date of Meeting: 20th September 2018

2. Title of Report: Primary Care Commissioning Estates Report

3. Key Messages:
   - The purpose of this report is to provide an update on, and seek approval from the Primary Care Commissioning Committee for the following proposed developments:

   • **Kelsall Medical Centre New Premises** - The GP practice at Kelsall is housed in a small, landlocked building in the centre of the village, with no ability to expand. There is no allocated car parking and the access to the premises is difficult for wheelchair users.

   • The size of the current premises is 169m², which is only 20% of the size required for the current patient list size of 5200. The premises for this list size should be approximately 650m².

   • The constraints of the current premises means that the practice is unable to provide a number of patient services and patient access is severely impacted.

   • The new building will have an additional revenue implication of £107,500 per annum.

   • **The Relocation of Garden Lane Medical Centre to the Fountains Building** - Garden Lane Medical Centre, the 5th practice within the Fountains Care Community, is currently located separately in Garden Lane, Chester; room availability and disability access are significant issues.

   • It is proposed that Garden Lane relocate to the fourth floor as this will enable true integration of services across the care community and with their integrated care team as well as the delivery of primary care at scale. This would enable seamless, high quality patient care and also sustainable general practice.

   • The new premises would require a rent reimbursement of an additional £157k per annum.
4. **Recommendations**  The Primary Care Commissioning Committee is asked to:

   a) Note the content of the report.
   b) Approve the funding of the rent reimbursement for the new premises for Kelsall Medical Centre.
   c) Approve the funding of up to 50% of the cost of the Stamp Duty Land Tax for the new lease for Garden Lane Medical Centre relocating to the Fountains Building.
   d) Approve the funding of up to 50% of the cost of legal fees incurred for the new lease for Garden Lane Medical Centre relocating to the Fountains Building.
   e) Approve the funding for rent reimbursement for Garden Lane Medical Centre’s relocation to new premises in the Fountains Building.

5. **Report Prepared**  Jill Baker, Primary Care Estates Manager
PURPOSE

1. The purpose of this report is to provide an update on, and seek approval from, the Primary Care Commissioning Committee for the proposed development of new premises for Kelsall Medical Centre and the proposed relocation of Garden Lane Medical Centre to the Fountains Building.

FULL DELEGATION OF PRIMARY CARE COMMISSIONING

2. Following the Clinical Commissioning Group taking on full delegation of primary care commissioning from 1 April 2018, NHS England continues to support the Clinical Commissioning Group with the processing of reimbursements, however the overall budget and final approval is now the responsibility of the Clinical Commissioning Group.

3. NHS England has confirmed that no further funding will be made available to cover the additional reimbursement costs of new build premises post delegation.

4. Discussions are taking place across Cheshire Clinical Commissioning Groups to devise a new process for reimbursement funding sign off.

PRIMARY CARE PREMISES DEVELOPMENTS

Kelsall Medical Centre New Premises

5. The GP practice at Kelsall is housed in a small, landlocked building in the centre of the village, with no ability to expand. There is no allocated car parking and the access to the premises is difficult for wheelchair users.

6. The size of the current premises is 169m², which is only 20% of the size required for the current patient list size of 5200. The premises for this list size should be approximately 650m².

7. There have been a number of residential developments in the village, with over 200 houses built in the village and a further 400 within the practice’s boundary which have significantly increased the patient list size.

8. The practice is currently registering an average of 6 new patients a day (which equates to 120 new patients a month). Unfortunately, no Section 106 or Community Infrastructure Levy has been paid as part of these developments as planning approval was granted prior to the Clinical Commissioning Group existence.

9. It is anticipated that a further increase of approximately 500 patients is likely due to new housing developments in the area in the next 5 years.
10. The constraints of the current premises means that the practice is unable to provide a number of patient services such as clinical pharmacists, Wellbeing service, physiotherapy, minor surgery and community diabetes clinics all of which not only provide valuable services to patients and improve access but also enable the practice to be sustainable. These constraints also impact on the way the practice is run for example finding space to make confidential telephone calls to patients and other health professionals is a challenge on most days.

11. The practice’s population of patients over 65 years is 23%, which is 2% higher than the Clinical Commissioning Group average and 7% higher than the national average.

12. The new premises which would be approximately 700 m² would be fit for purpose, Health Technical Memorandum (HTM) compliant and enable the practice to offer the level of patients access and the range of services provided in other practices in West Cheshire.

13. The branch surgery in Kelsall used by Drs Adey and Dancy, from Tarporley Health Centre, has been deemed, by the Care Quality Commission, to be inadequate in terms of consulting rooms’ privacy and confidentiality for patients and poses a risk regarding lone working for staff.

14. It is proposed that Drs Adey and Dancy would use the new Kelsall Medical Centre premises as branch accommodation. This would alleviate lone working for the Tarporley Adey Doctors and staff, as well as providing modern, compliant accommodation. It would also enable greater collaboration across the rural cluster.

15. The current reimbursement for Kelsall is £29k. The District Valuer has appraised the new premises design and the new reimbursement figure would be £136,500 per annum. This would require the Clinical Commissioning Group to fund a difference of £107,500 pa.

16. The lease would be for 21 years commencing in 2019/20. A final date is to be agreed once planning permission has been awarded in October 2018.

17. If the practice is unable to move to larger, fit for purpose, premises there will be significant impact on the practice and its ability to continue to operate. Patient access and the quality of patient care would be severely impacted.

**Garden Lane Relocation to the Fountains Building**

18. Four practices are currently located within the purpose built Fountains Building in Delemere Street, Chester, together with their Integrated Care Team.

19. Garden Lane Medical Centre, the 5th practice within the Fountains Care Community is currently located separately in Garden Lane, Chester.

20. Currently the practice operates out of two, neighbouring buildings and two floors with some consultation rooms being isolated. The new building will resolve issues around disability access, (significant time is wasted by clinical staff trying to find an available consultation room to consult patients who are unable to use the stairs) and isolated working.
21. It has taken 2 years to identify an organisation which was prepared to take on the remaining 12 year lease for the current premises in Garden Lane, as well as one which Assura (the leaseholder) was prepared to have as tenants.

22. A condition of the in-coming organisation’s taking over the lease is that they have to be operational in the Garden Lane premises from 1 April 2019. This is the driver dictating the pace of Garden Lane Medical Centre relocating to the Fountains building.

23. Currently, the fourth floor of the Fountains development is vacant with the other tenants still able to influence who can occupy that space as part of the original lease. The clause which allows this finishes in July 2019. All tenants are keen to have the space occupied by a health related service.

24. It is proposed that Garden Lane relocate to the fourth floor as this will enable true integration of services across the care community and with their integrated care team as well as the delivery of primary care at scale. This would enable seamless, high quality patient care and also sustainable general practice.

25. The relocation would greatly improve the sustainability of the practice by giving the opportunity to share staff and resources. It will also enable the sharing of back office functions with the other four practices in the care community.

26. The premises at Garden Lane would be fully sub-let to this service and the current rental value of £88k would be covered by the new tenant. The remaining time on the lease would be assigned to the new tenant.

27. The current premises reimbursement is £88k. The new premises would require a reimbursement of approximately £245k. This is based on the same cost per square foot as the remainder of the building.

28. The additional cost of £157k per annum would be required from March 2019.

29. The relocation will incur a number of cost including legal fees (£3000) and Stamp Duty Land Tax (£34,000) for the new lease. The practice has written to the Clinical Commissioning Group to request support to fund some of these costs as this support has been provided by NHS England in the past via the Premises Directions.

30. The practices currently in the Fountains Building are reviewing their business processes and procedures to create efficiencies for all. Garden Lane will also benefit from this and although will not require a great deal more space they will be able to utilise the space more fully.

RECOMMENDATION

31. Primary Care Commissioning Committee is asked to:

a) Note the content of the report.

b) Approve the funding of the rent reimbursement for the new premises for Kelsall Medical Centre.
c) Approve the funding of up to 50% of the cost of the Stamp Duty Land Tax for the new lease for Garden Lane Medical Centre relocating to the Fountains Building.

d) Approve the funding of up to 50% of the cost of legal fees incurred for the new lease for Garden Lane Medical Centre relocating to the Fountains Building.

e) Approve the funding for rent reimbursement for Garden Lane Medical Centre's relocation to new premises in the Fountains Building.