

Meeting of the ICB Board

Date: 6th April 2023

Time: 12:00 – 15:15

Location: The Ball Room, Winter Garden, The Royal Parade, Weston super Mare, BS23 1AJ

Agenda Number :	6.3	
Title:	Central Weston Full Business Case - Relocation of Graham Road Surgery to new Weston Rugby Club Development	
Confidential Papers	Commercially Sensitive	No
	Legally Sensitive	No
	Contains Patient Identifiable data	No
	Financially Sensitive	No
	Time Sensitive – not for public release at this time	No
	Other (Please state)	Yes/No

Purpose: Decision

Key Points for Discussion:

This paper sets out the key information from the Full Business Case for the relocation of the Graham Road Surgery GP practice to a proposed purpose-built facility at the local Weston Rugby Club development. Subject to approval, the new building will also be occupied by Sirona and potentially AWP to create a new health hub in the centre of Weston.

This paper and the FBC relates solely to the GP element as it is being submitted to NHSE for approval to release a £3.2 million NHS England (NHSE) capital grant which can only be used for the GP demise.

The paper summarises the business case, but key points are:

- Pier Health PCN is identified as the first priority amongst BNSSG (Primary Care Networks) PCN for investment in estate
- The Graham Road Surgery serves an area of high health inequalities
- The current building is of low quality and insufficient size
- The new building will create much needed capacity in a transformational modern purpose-built facility
- The scheme is being delivered working in partnership with NHS Property Services and Studio Hive, the developer
- Studio Hive will build Block A which is a 5-storey building which will be leased to NHS Property Services Ltd for 25 years
- Planning permission was secured in November 2022



	<ul style="list-style-type: none"> • A blend of funding sources will be used to deliver the project including: <ul style="list-style-type: none"> ○ £3.2m NHSE STP Wave 4 capital grant ○ Prioritised BNSSG system capital funding ○ An ICB revenue budget currently allocated to the rent costs of the current Graham Road service will be reallocated to the new building • This funding model will make the new building revenue neutral for the ICB for the first 10 years of operation • Subject to approvals, construction is scheduled to start in October 2023 • Completion and handover is scheduled for June 2025
<p>Recommendations:</p>	<p>Approval – The ICB Board is asked to approve the Full Business Case (FBC) for the relocation of Graham Road Surgery to the proposed new development at Weston Rugby Club.</p> <p>Approval will enable the FBC to be submitted to NHSE for their review and approval to release the £3.2m of NHSE STP Wave 4 grant funding required to deliver the project, which will in turn enable construction to commence.</p> <p>A letter of support from the ICB confirming Board approval will be required to accompany the FBC submission to NHSE.</p>
<p>Previously Considered By and feedback:</p>	<p>The Full Business Case has been reviewed and recommended to Board for approval by:</p> <ul style="list-style-type: none"> • ICB Finance, Estates and Digital Committee – 23/03/2023 • ICB Primary Care Operational Group – 23/03/2023 • ICB Estates Steering Group – 16/03/2023 <p>Outline Business Case approved by BNSSG CCG Primary Care Commissioning Committee - July 2020.</p> <p>Public consultation and engagement process undertaken for project approved by North Somerset Council’s Health Overview and Scrutiny Panel on 16/03/2023</p>
<p>Management of Declared Interest:</p>	<p>Not applicable – it is not envisaged board members will have a conflict of interest.</p>
<p>Risk and Assurance:</p>	<p>The main risks for the project are set out in the table below.</p>

	Risk	Mitigation
	Wider development of rugby club put on hold due to market uncertainties	Developer reported temporary halt on investment due to wider economic conditions which is likely to prevent them from commencing construction of the whole of phase A. Urgent review of options is underway between ICB, NHSE finance & primary care leads and Studio Hive. Confirmation in writing received from developer on 11th Jan 2023 of their intention to proceed.
	Construction costs exceed OBC assumptions	Updated cost estimate from developer's cost adviser confirms that high inflation costs have led to increase in cost estimate for the fit out works and the wider project construction costs leading to reduced surplus capital for bullet payment against rent. Soft market test exercise completed by cost advisors which indicates fit-out costs are line with Pre Tender Estimate, which is the not to exceed price.
	NHSE/I STP funding timelines requires expenditure by 31 March 2024	Weekly meetings held with NHSE national and SW finance team. Developer asked to confirm latest date for construction of wider development to commence to guarantee expenditure of NHSE capital funding via a Direct Agreement by 31 March 2024.
Financial / Resource Implications:	<p>The new facility will be delivered through a blended funding model including:</p> <ul style="list-style-type: none"> • £3.2m NHSE STP Wave 4 capital grant • Prioritised BNSSG system capital funding • An ICB revenue budget currently allocated to the rent costs of the current Graham Road service will be reallocated to the new building <p>This funding model will make the new building revenue neutral for the ICB for the first 10 years of operation.</p> <p>This model and level of rent has been reviewed and supported by the local District Valuation Office and NHSE.</p>	
Legal, Policy and Regulatory Requirements:	Terms for the Lease and Agreement for Lease that will sit between the landlord and NHSPS as head tenant are agreed.	
How does this reduce Health Inequalities:	<ul style="list-style-type: none"> • The new development within Central Weston will provide the required space for primary care services and in the localities based on current and expected population growth. 	

	<ul style="list-style-type: none"> • The new development will provide a primary care estate that is fit for current requirements across Weston Super Mare and able to provide facilities for multiple and flexible use enabling collaboration between organisations, the council, NHS and others. • The project will maximise the opportunity for Primary Care to work with other community providers and the voluntary sector and will enable new models of care to be implemented and care to be delivered in different ways. • The new developments will enable patients living within Central Weston to receive care close to home and therefore improve local access to healthcare.
How does this impact on Equality & diversity	<p>An Equality Impact Assessment has been completed.</p> <p>The proposal affects people registered at Graham Road Surgery (c.10,000) and non-clinical and clinical staff who provide services at the site. The impact of the change is assessed as low to medium, the proposed new site location being geographically close to the Graham Road site (within 0.4 mile); with the same proportion of registered patients being within a 20-minute walk to the new site as they are to the existing surgery and within 2-3 minutes driving time.</p>
Patient and Public Involvement:	<p>Feedback on the proposal was gathered from consultation engagement workshops and public meetings which focused on a variety of themes. These meetings were held between April and September 2021.</p> <p>The process undertaken was considered to be “above and beyond” requirements by NHSE and North Somerset Council’s Health Overview and Scrutiny Panel have approved the work and endorsed the project as a whole.</p>
Communications and Engagement:	<p>A detailed communications and engagement plan has been developed which includes a delivery plan, detailing objectives for each stage, required activities, outputs and timeline for delivery. The level of public involvement for each phase and rationale are explained to provide assurance that the activities performed over the time period are in accordance with best practice requirements set by NHSE/I, at the same time remaining proportionate to the proposed changes and context surrounding the project.</p>
Author(s):	Tim James, Strategic Estates Manager
Sponsoring Director / Board Member:	<p>Sarah Truelove, CFO & Deputy CEO</p> <p>David Jarrett, Director of Integrated and Primary Care</p>

Agenda item: 6.3

Report title: Central Weston Full Business - Relocation of Graham Road Surgery to new Weston Rugby Club Development

1. Purpose

The purpose of this paper is to present the Full Business Case (FBC) for approval to enable the relocation of Graham Road Surgery to a new development at Weston Rugby Club.

Approval will enable the FBC to be submitted to NHSE for their review and approval to release the £3.2m of NHSE STP Wave 4 grant funding required to deliver the project, which will in turn enable construction to commence.

2. Project Overview

The scope of the project detailed within the FBC relates to:

- Delivery of new purpose built GP practice building for Graham Road Surgery in Weston-Super-Mare
- The scheme is being delivered working in partnership with NHS Property Services and Studio Hive, the developer
- Studio Hive will build Block A which is a 5-storey building which will be leased to NHS Property Services Ltd
- £3.2m STP Wave 4 monies will supplement ICB funding to enable delivery of the new GP facility of the ground and first floors of a new 5 storey health hub
- Sirona will occupy the upper floors. This is to be funded separately and is not within the scope of this FBC

3. Project Background

In September 2016 North Somerset CCG made a bid to the NHSE Primary Care Estates and Technology transformation Fund (ETTF) to support the development of a Strategic Outline Case (SOC) for the transformation of primary care estate in Weston-Super-Mare. An initial award of revenue was made to support business case development and a capital allocation also identified within the ETTF fund to support a project. The SOC was completed in August 2018 and recommended two key areas of need that required new buildings:

- Parklands Village – To support the population of the significant new Weston Villages housing developments of circa 6,500 new homes being developed across Hayward and Parklands Villages
- Central Weston – To address the significant issues with condition and capacity of GP estate in the centre of Weston as well as significant population growth from anticipated new housing in the area

Outline and Full Business Cases for the Parklands Village project were developed that were supported with a blend of ETTF capital funding and Section 106 (S106) land and capital funding. Construction is now at an advanced stage and the new building is due to open in the summer of 2023 with 168 Medical being the provider of the service GP there.

For the Central Weston project, the key milestones have been:

- STP Wave 4 capital funding bid of £3.2 million submitted by CCG to NHSE in summer 2018
- Outline Business Case Approved by BNSSG CCG in July 2020
- Planning permission was granted on 14th November 2022
- Site currently being cleared and levelled prior to transfer
- FBC Approval Steps:
 - NHSE SW Regional approval June 2023
 - Construction planned to start in October 2023

£3.2m of NHSE STP Wave 4 capital funding has been ringfenced for this project, subject to FBC approval.

The preferred option includes a newly fitted out ground and first floor of Block A at Weston Rugby Club. This development will accommodate Graham Road Practice patients and staff, alongside the local community health provider Sirona Care and Health. Sirona Care and Health will fund their area and therefore is not part of this FBC.

4. Strategic Case

Detailed data analysis using a range of metrics including capacity and condition of buildings has been undertaken that has identified Pier Health PCN as being the highest of priority of the 20 PCNs across BNSSG in terms of needing investment in new primary care estate.

Pier Health PCN has a relatively high number of ageing and constrained buildings. Many of these older buildings, including Graham Road Surgery, are converted residential dwellings with no room for further expansion on their existing sites, and with inadequate parking spaces.

Quality of estate is a significant barrier to recruitment within primary care and community care staff in Weston. New quality estate will make Weston a more attractive area for clinicians which will support recruitment, increase retention and the ability to retain skills and increase continuity of care for patients.

Graham Road Surgery

Graham Road Surgery is part of the Pier Health Group PCN in Weston Super Mare and has a patient list size of over 10,000 registered patients, including those displaced from the now closed Clarence Park Surgery. The building was constructed in 1854, has limited parking and access and has no further opportunity for extension or development.

Over time, there has been a reduction in the number of GP practices based in the centre of Weston, and North Somerset Health Overview and Scrutiny Panel has expressed concerns with the coverage of primary care services central Weston.

This presents an opportunity for the development of a modern, fit-for-purpose facility to be developed in the centre of Weston from which a primary care offering can be provided.

Benefits

The key benefits of the project are listed below:

- The project aligns with BNSSG operational plans and with the commissioning priorities of the BNSSG Sustainability and Transformation Plans.
- The new development within Central Weston will provide the required space for primary care services and in the localities based on current and expected population growth.
- The new development will provide a primary care estate that is fit for current requirements across Weston-super-Mare and able to provide facilities for multiple and flexible use enabling collaboration between organisations, the council, NHS and others.
- The project will maximise the opportunity for primary care to work with other community providers and the voluntary sector and will enable new models of care to be implemented and care to be delivered in different ways.
- The new developments will enable patients living within Central Weston to receive care close to home and therefore improve local access to healthcare.
- The development will be able to provide a solution that can be delivered within the programme timescales.

A robust approach was adopted to develop the benefits analysis, working with a broad range of stakeholders to identify, categorise and quantify benefits. This resulted in the identification of £321,000 p.a. of Non-Cash Releasing Benefits and supporting Non-Cash Releasing Benefits Realisation Plan.

5. Economic Case

Options Appraisal

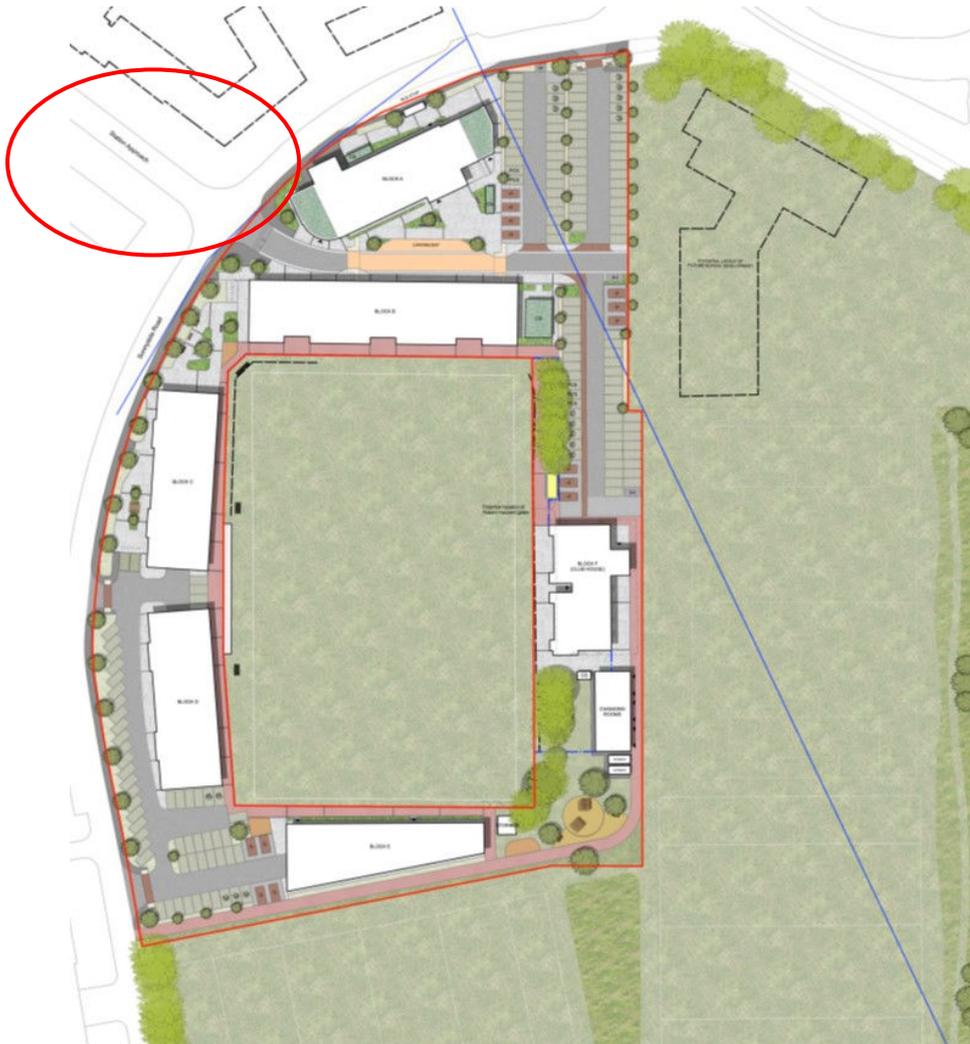
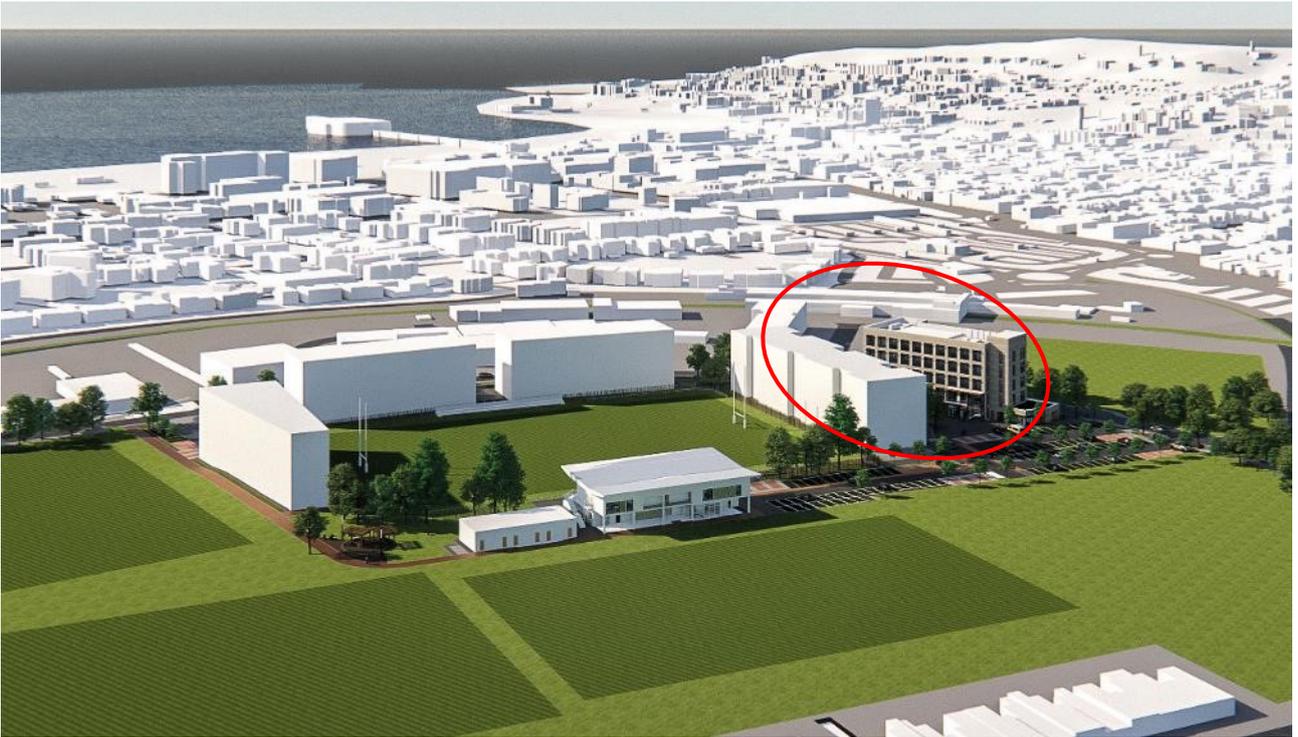
The search for an appropriate and viable site for the new facility proved to be a long and challenging one. In total, 17 different sites were considered, with additional options of configuration and location on some of those sites being considered. The site search and options appraisal included a diverse range of sites, including retail units, closed department stores, vacated churches, and brown field sites. Each option had its own challenges, and each fell against a range of criteria including size, cost, accessibility, car parking, natural light and other considerations.

Eventually, the Weston Rugby Club development came onto the market, and presented an all-round excellent option that enabled the creation of a modern, purpose-built facility.

Location

The Weston Rugby club development is a key regeneration project in the heart of Weston. It is led by the private development company Studio Hive in partnership with Weston Rugby Club and North Somerset Council. The Rugby Club is located the rear of the train station in the centre of Weston.

Studio Hive acquired the Weston Rugby Club site on a 999-year lease by way of a tripartite agreement between itself, the Rugby Club and North Somerset Council. This agreement released various covenants preventing commercial development on land surrounding the club in turn for the provision of a new club house building, improvements to the adjacent public playing fields and allocation of land to the Council for a new school. The intention is that this development will kick-start wider regeneration around the centre of Weston, bringing much needed employment and housing to the local area.



Patient Access to the Site

The relocation of the Graham Road site to the Rugby Club will see an 8% reduction in patients who are within a 15-minute walk of the practice. When considering those with a 20-minute walk, the percentage affected is negligible. The practice intends to support patients affected with the following transitional plan:

- A patient survey indicated patients currently travel to Graham Road: Car 49%, Walk 32%, Public transport 9%, Cycle 6%, Taxi 4%
- The new building will provide significantly better car parking for patients and a wider range of services than currently available – Circa 58 parking spaces in total will be available at the new building
- Patients are able to stipulate their preferred method of consultation. Circa 30% of consultations are now carried out face to face. The remaining 70% are carried out either by telephone, video or secure message. The new building gives greater scope to be able to provide a range of clinics/service for patients that don't have access to digital solutions
- The wider use of digital solutions allows clinicians to carry out remote group consultations for appropriate consultations, like long term conditions and smoking cessation
- The adjacent train station serves a number of bus routes (numbers 3,5 and 7).
- The site encourages car sharing by having designated car sharing car parking spaces. The surgery will promote this option to its patients
- Patients will have access to a free taxi phone, enabling them to call a taxi, from the surgery
- The practice will promote NHS walking maps, explaining suggested safe walking and cycling routes
- Appropriate safe storage of bicycles for both staff and patients will be made available by the practice
- The site will have a designated activity loop and landscaped areas the practice will use for walking groups and other types of health and wellbeing groups.
- The practice commits to continuing to work with its Patient Participation Group to understand ongoing issues patients are experiencing, and patient surveys will be carried out after the move
- Local community transport services are already in existence in Weston super Mare, for example: Weston and District Community Transport & RSVP
- The practice has committed to engaging with local volunteer driver services for patients that require it

6. Building Design

The building has been designed in line with all NHS standards including the Health Building Notices (HBN) and Health Technical Memoranda (HTM). These ensure that the building is fit-for-purpose both now and in the future, complying with the highest-level design and building standards. It will offer an attractive place for staff to work and patients to visit and will have its own well sized car park for their use.

The building will have an excellent environmental performance rating, having been designed to the stringent Building Research Establishment's Environmental Assessment Method (BREEAM) Excellent standard. This an all-round measure of the sustainability of a building. It sets the standard for best practice in sustainable design and specification.

Ground Floor Layout



First Floor Layout



Second Floor Layout



Net Zero Carbon and sustainability

The proposals demonstrate a strong focus on minimising energy consumption and making the scheme as sustainable as possible throughout the site. The main points to note are:

- The Block A surgery is targeting a BREEAM Excellent rating. The developers plan to use air source heat pumps to more than satisfy the 15% renewable content and are also proposing rooftop photo voltaic panels to generate electricity
- The developer is targeting non-gas heating and hot water generation throughout the entire site i.e. an electric only scheme with zero dependence on traditional fossil fuels and fossil fuel technologies
- The building will have an Energy Performance Certificate rating of A.

7. Commercial Case

There will be an Agreement for Lease and a Lease between Studio Hive (the developer) and NHSPS for a term of 25 years for the GP accommodation on the ground and first floor areas of Block A. There will then be a co-terminus sub lease between NHSPS and the GP practice.

This lease structure has been recommended by NHSE to ensure that the potential impact of Capital Departmental Expenditure Limits (CDEL) is eliminated. A specific assignment clause has been included into the legal documentation to enable the sub-lease to be assigned to a new contract provider during the lease term.

The principles of the commercial model are as follows:

- The building will be delivered Studio Hive
- Studio Hive will manage the procurement process to appoint the principal contractor, have developed the designs and will construct the building up to fully fitted out specification
- The GP's will occupy the building on a sub-lease for a term of 25 years, mirroring the terms of the head lease held by NHS PS to eliminate the implications of CDEL
- The ICB will provide a letter of comfort to NHS PS that it will continue to nominate the building for future service contract holders for the duration of the lease term.

8. Financial Case

The new facility will be delivered through a blended funding model including:

- £3.2m NHSE STP Wave 4 capital grant
- Prioritised BNSSG system capital funding
- An ICB revenue budget currently allocated to the rent costs of the current Graham Road service will be reallocated to the new building

This funding model will make the new building revenue neutral for the ICB for the first 10 years of operation.

This model and level of rent has been reviewed and supported by the local District Valuation Office and NHSE.

9. Delivery

Project Schedule

Key Milestone	Date completed
Full Planning Approval	November 2022
RIBA Stage 4 Design	May 2023
FBC submitted	April 2023
FBC NHSE approval	June 2023
Contract Award	August 2023
GMP issued to ICB	August 2023
Mobilisation	September 2023

Construction Start	October 2023
Completion and Handover	June 2025

Dependencies

The project is subject to the following dependencies that will be carefully monitored and managed throughout the lifespan of the scheme:

- Formal approval of funding
- Full Business case approval by NHSE, with sign off with completed technical drawings
- Completion of an Agreement for Lease between NHS PS and Sirona
- The developer commences with the construction of Phase A by October 2023.

10. Legal implications

Terms for the Lease and Agreement for Lease that will sit between the landlord and NHSPS as head tenant are agreed. The ICB will be required to provide NHSPS with a standard letter of comfort to confirm it will nominate new service provider tenants if the contracts of the current providers cease and will cover the rent cost of any void spaces in the building in the future.

11. Risk implications

The main risks for the project are set out in the table below.

Risk	Mitigation
Wider development of rugby club put on hold due to market uncertainties	Developer reported temporary halt on investment due to wider economic conditions which is likely to prevent them from commencing construction of the whole of phase A. Urgent review of options is underway between ICB, NHSE finance & primary care leads and Studio Hive. Confirmation in writing received from developer on 11th Jan 2023 of their intention to proceed.
Construction costs exceed OBC assumptions	Update cost estimate from developer's cost adviser confirms that high inflation costs have led to increase in cost estimate for the fit out works and the wider project construction costs leading to reduced surplus capital for bullet payment against rent. Soft market test exercise completed by cost advisors which indicates fit-out costs are line with PTE, which is the not to exceed price.
NHSE/I STP funding timelines requires expenditure by 31 March 2024	Weekly meetings held with NHSE national and SW finance team. Developer asked to confirm latest date for construction of wider development to commence to guarantee expenditure of NHSE capital funding via a Direct Agreement by 31 March 2024.

12. How does this reduce health inequalities

Both North Somerset Public Health and the North Somerset Health Overview and Scrutiny Committee have been engaged with throughout the project and have been valuable partners in developing proposals.

The new development within Central Weston will provide the required space for primary care services and in the localities based on current and expected population growth. It will also provide a primary care estate that is fit for current requirements across Weston-Super-Mare and able to provide facilities for multiple and flexible use enabling collaboration between organisations, the council, NHS and others.

The project will maximise the opportunity for primary care to work with other community providers and the voluntary sector and will enable new models of care to be implemented and care to be delivered in different ways.

The new developments will enable patients living within Central Weston to receive care close to home and therefore improve local access to healthcare.

13. How does this impact on Equality and Diversity?

An Equality Impact Assessment has been completed.

The proposal affects people registered at Graham Road Surgery (c.11,700) and non-clinical and clinical staff who provide services at the site. The impact of the change is assessed as low to medium, the proposed new site location being geographically close to the Graham Road site (within 0.4 mile); with the same proportion of registered patients being within a 20-minute walk to the new site as they are to the existing surgery and within 2-3 minutes driving time.

14. Consultation and Communication including Public Involvement

BNSSG ICS developed a consultation and engagement plan, which sets out the public engagement and consultation stages relating to the relocation of Graham Road Surgery.

The plan details the communications activity to support this business case and aims to keep patients of the surgery and the local population informed about developments regarding the new Central Weston facility. Originally NHSE confirmed there was no requirement for a formal consultation, however a 12 week was recommended relating to the relocation of Graham Road Surgery.

The groups involved in engagement included SWASFT, Sirona Care & Health, UHBW, AWP, Healthwatch, care homes and other health and care system providers within the community. The stakeholder map also included public service providers such as Network Rail and First Bus, along with education providers in the local area.

Pre-consultation engagement took place April-May 2021 to involve and engage the local community, co-producing elements of the new facility and service model. The pre-consultation workshops were held in the community during April and May 2021. The Patient Advisory Reference Group (PARG), comprising patients of Graham Road Surgery who have an interest in the new facility, have held a key role throughout the consultation process. BNSSG Healthwatch have also provided assistance with workshop design.

The Communication and Engagement paper was approved by HOSC in January 2023 and a letter of support for this FBC has been obtained.

Appendices

Glossary of terms and abbreviations

BAU	Business As Usual
BIM	Building Information Modelling
BREEAM	Building Research Establishment Environmental Assessment Method
CCG	Clinical Commissioning Group
CDEL	Capital Departmental Spending Limits
CIA	Comprehensive Investment Appraisal
DHSC	Department of Health and Social Care
FBC	Full Business Case
GP	General Practitioner
HBN	Health Building Note
HTM	Health Technical Memorandum
ICB	Integrated Care Board
ICS	Integrated Care System
IT	Information Technology
LA	Local Authority
LTP	Long Term Plan
NHSE/I	National Health Service England / Improvement
OBC	Outline Business Case
PAM	Premises Assurance Model
PFI	Private Finance Initiative
RAG	Red Amber Green (rating)

SOC	Strategic Outline Case
STP	Sustainability and Transformation Partnership
VFM	Value for Money

