

Subject:	Delivery of new integrated Primary Care Centre at Oxford Street		
Date of Meeting:	11 October 2018		
Report of:	Executive Director Economy Environment & Culture		
Contact Officer:	Name:	Angela Dymott Sally Smith (BHCCG)	Tel: 01273 291450 01273 485328
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Ward(s) affected:	St Peter's & North Laine		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The owner of St Peter's Medical Centre, Oxford Street, Brighton, (the Medical Centres Group), has offered to purchase a long lease of the Council's Oxford Court Car Park, to facilitate the re-development and expansion of the existing health centre that adjoins the car park.
- 1.2 The current St Peter's Medical Centre on Oxford Street is no longer fit for purpose and has been identified as being a high priority for refurbishment/rebuild in a city-wide audit. In addition The North Laine Medical Centre on Gloucester Street is also not fit for purpose and, unless the solution proposed in this paper is delivered in time, is due to close in November 2018 and relinquish its contract. If this happens, the patients at this practice will have to be accommodated at other practices in the city centre, adding further pressure to these already-pressurised practices
- 1.3 This report details the proposed solution to ensure the provision of modern, fit for purpose healthcare premises for St Peter's Medical Centre and The North Laine Medical Centre, supported by Brighton & Hove Clinical Commissioning Group (BHCCG), to provide care in areas of priority need within the city, enabled by BHCC through the disposal of a council-operated car park, for the development of a new primary healthcare facility (including associated consents for relocating the current substation on site).
- 1.4 Details of the proposed transaction are included within Part II of this report. In summary they are:
 - The Medical Centres Group (who own the current St Peter's site) will acquire a 999 year lease of the council car park to redevelop a new integrated Primary Care Centre on the car park and the St Peter's site.
 - The Sussex Partnership Foundation Trust (SPFT) will enter an agreement to lease this premises from the Medical Centres Group.
 - The St Peters Medical Centre will merge with the North Laine Medical Centre

- taking a sub lease of the premises from SPFT.
- The sale is subject to conditions including planning permission.
- There will be continuity of service on the site as the developer is proposing a phased development.

2. **RECOMMENDATIONS:**

That the Committee:-

- 2.1 Authorises the sale of the Oxford Court Car Park shown edged red on the attached plan by way of a 999 year lease and grants delegated authority to the Executive Director for Economy, Environment & Culture, Executive Lead Officer, Strategy Governance and Law to negotiate the detailed terms of this disposal, and enter into the agreement for lease, the lease and undertake all necessary steps to secure the delivery of a new primary healthcare centre.
- 2.2 Note that the council continues to work closely with public sector partners to ensure best use of public sector assets.

3. **CONTEXT/ BACKGROUND INFORMATION**

Health Context

Overall situation in Primary Care

- 3.1 Primary Care is vital to the success of any health and care system, with the registered patient list providing the basis for structured and consistent care and health promotion for a whole population. Primary Care is under significant and sustained pressure nationally, with key challenges including:
 - Increasing workload and demand (partly associated with the increase in elderly people/those with several long term conditions).
 - Reducing finances.
 - A diminishing workforce, with both GPs and Practices Nurses becoming harder to recruit. (One key element of this is an increasing reluctance to become a partner in a practice because of the risks/levels of personal responsibility associated with holding a lease, employing staff etc.).

These challenges are being experienced in Brighton & Hove, with the city having the second lowest ratio of GPs per 1,000 patients of any CCG in the country.

Local Strategy

- 3.2 The challenges facing Primary Care are multiple and interlinked. The CCG's response has been to develop a strategy for Primary Care that recognises the need to resolve a series of issues in a co-ordinated and contemporaneous way. The strategy has identified eight components:
 1. Resilience (to improve sustainability and reduce vulnerability).
 2. New Models of Care (to facilitate multi-agency working at cluster level).
 3. Workload (to reduce avoidable workload on practices and signpost patients to alternatives, including health promotion/self-care).
 4. Workforce (to support and develop the existing workforce and improve recruitment).
 5. Informatics (to harness the power of technology to increase quality of service,

- efficiency and joint working).
6. Estates (to improve the quality of the built environment and facilitate joint working).
 7. Primary Care at Scale (to promote economies of scale and introduce “Parent Organisations” into the primary care economy, where these add value).
 8. New Ways of Investing (to enable funding flows to facilitate the above).

It will be noted that the majority of the items listed above require close joint working between primary care/ BHCCG, Sussex Community Foundation Trust (SCFT), Sussex Partnership Foundation Trust (SPFT), the Community/Voluntary Sector and the council. There are already examples of initiatives that these agencies are working on together and this is the overall strategic direction that is now being followed and increasingly structured into our working patterns.

- 3.3 BHCCG has been developing a methodology to prioritise estates developments in Primary Care. The Prioritisation process is risk based and includes an assessment of the overall vulnerability of the practices/cluster as well as the risk associated with the building. The analysis indicates that the practices with the highest levels of vulnerability are also those with the highest levels of premises risk. Cluster 1, where St Peter’s and North Laine are sited, is one of the clusters with the highest level of risk under both indicators.
- 3.4 Brighton and Hove Clinical Commissioning Group (BHCCG) has been supporting St Peter’s and North Laine Medical Practices in their search for new premises within Cluster 1.
- 3.5 Both practices are located in the city centre and serve a population with high levels of need – especially mental health and substance misuse (see Public Health material below). Each of the practices is deemed as vulnerable as they occupy substandard premises and have difficulty in recruiting staff. The partners of both practices have indicated that the risks associated with partnership are becoming unacceptable to them. The Care Quality Commission has also recently raised concerns about the quality of the premises.

Property Context

- 3.6 North Laine Medical Centre’s lease on its current premises expired on 31 August 2018. An extension has been agreed to the end of November 2018 but no further extension is possible after that date unless the practice pays a significantly higher rent - which is not affordable for the NHS and too high for the practice to fund itself. The practice is taking advice on its current agreement but their continued occupation in this sub-standard premises is not sustainable.
- 3.7 If this situation remains unresolved, the practice has indicated it will terminate its contract and its 4,000 patients will need to be registered with other practices at short notice (i.e. as of 1.12.18), with considerable negative impact on the surrounding practices and considerable cost to the NHS economy. It may well also entail the loss of two or three more GP partners to the city, which will only compound the existing recruitment problems for Primary Care.
- 3.8 The lease of the St Peter’s Medical Centre site expires in 2020. The partners of the practice have confirmed they will not sign a new lease because of the personal liabilities involved and the length of time it will require them to continue

working before they can retire in the face of the recognised uncertainties for general practice in the future.

3.9 To address this situation, the practice and CCG have been working with SPFT on a long term solution, whereby SPFT take the head lease on the refurbished premises and grant a sublease to the practice. The effect of this is to:

- Give the partners the assurance to remain as partners, because of the break clauses in the sublease.
- Create additional space for SPFT to rent from the practice, for the provision of community mental health services.
- Offer an attractive future for the partners, clinical and non-clinical staff to remain working in the area.
- Provide the patients of the practice; cutting edge, integrated working for those with primary care needs and mental health and substance misuse issues.

It can therefore be seen as a demonstration of the Primary Care Strategy described [in 3.2] above.

3.10 Should this redevelopment of new premises for this practice not proceed then the partners of the St Peter's practice have indicated very clearly that at the expiry of their current lease in 2020 they will terminate their contract. This presents a very serious risk to their current 11,000 patient list in securing access to primary healthcare, because there is simply not the capacity available in the city to accommodate this number of patients. The risks are not only to the patients but to the whole health and care system, as the unmet need arising from the practice closures will have a significant negative impact on local hospital and social care services.

3.11 To address this issue, BHCCG has successfully secured capital of £1.24m from the Estates and Technology Transformation Fund (ETTF) towards securing new fit for purpose premises for the practices. There are a number of conditions attached to the funding, including challenging timelines for the delivery of the project delivery, including starting on site by March 2019 and full commitment of the funds and building completed by March 2020.

3.12 To meet this deadline they will need to complete the purchase and secure planning before starting on site, meaning that there is little slippage in the proposed schedule.

3.13 The two practices, in conjunction with BHCCG and the current landlord, 'The Medical Centres Group' have been seeking to deliver new premises within this cluster and have explored numerous opportunities, including other realistic development opportunities, land swaps, leases and acquisitions. For a variety of reasons and following abortive discussions with various parties, the only viable proposal within the funding timescales is a phased re-development of the current St Peter's Medical Centre site, with the addition of the council's Oxford Court Car Park.

3.14 Previous transactions, have been unsuccessful for a variety of reasons, including; change of mind of landowner, lack of suitability - including size constraints (too large and small) - and resistance to alterations/lack of value for money schemes

3.15 The initial feasibility plans demonstrate that this could deliver a workable solution

Proposal

3.16 The proposal is for the two practices to merge and co-locate on to a single site in purpose-built premises, which will be delivered through a phased development, ensuring that there is continuity of service from the site throughout the project.

3.17 Due to issues with the NHS approval process it is proposed that NHS Sussex Partnership Foundation Trust (SPFT) will take a long head lease of the whole premises and grant a sub-lease (with 5 year break clauses) to the merged practice, thus removing personal liability from the doctors of taking a longer lease, making it easier to retain and attract partners to the practice for long term sustainability whilst also de-risking the development for the Medical Centres Group.

3.18 As part of this partnership working, it is also proposed that SPFT deliver community mental health services from the site resulting in the provision of cutting edge integrated services for a deprived, under-served population.

3.19 The eventual additional co-location of community services, social care and third/voluntary sector services will be explored with partners as the scheme develops further. This is in line with the primary care strategy and the emerging integration agenda being developed jointly by the Council and BHCCG.

3.20 The scheme will be funded in part via the ETTF capital grant with the remainder by the third party developer, Medical Centre Developments, which has considerable experience of working with the NHS and delivering schemes of this type.

3.21 The revenue commitments (both one-off enabling costs and ongoing rent and rates reimbursements under the GP contract) are already committed and agreed at committee level by BHCCG, providing comfort that, should BHCC agree to dispose, the developer's proposals are fully supported by BHCCG, with no need for any further governance steps to be undertaken to proceed.

3.22 No formal planning advice has been sought and the developer will undertake this in due course. However, informal planning comment raises no obvious challenges regarding the principle of this proposal, subject to the usual planning engagement and application process.

3.23 The Council's agents, GVA have worked to ensure that negotiations on behalf of BHCC have secured best consideration for the site and can confirm that the current offer represents this. Outline terms of agreement have been included at Part II of this report.

3.24 Medical Centre Developments have also engaged with the District Valuer who is advising the BHCCG on value for money from the development and whilst the final sign off is not currently complete due to the various stages of the approval process, there are not thought to be any issues in achieving this.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

Option	
Do Nothing	<p>The site is currently operated as a council pay and display car park from 8am to 8pm. The site is comprised of 36 parking spaces and has an income budget of £44,000 per annum net of costs. As the site is a small pay and display we do not have detailed usage data above the income collected however historic surveys have shown that the majority of users (excluding season ticket holders) are visitors to local shops and the health centre.</p> <p>At the car park there are 8 season tickets, all to employees of the adjoining St Peter's Medical Practice which generates approximately £24,000 per annum.</p> <p>The council could continue to operate the car park and receive the income, however this would not increase Primary Healthcare resilience in the city, would not generate investment, but would continue to provide 36 parking spaces and income to the council. However the long term sustainability of this income is at risk should the GP surgery close or relocate as would be planned in the future under this do nothing option.</p> <p>The site will continue to experience challenges with anti-social behaviour.</p>
Council seeks to re-develop the site in isolation	<p>We have undertaken some site feasibility work to explore residential development options in consultation with external architects, the Estate Regeneration New Homes for Neighbourhoods team and Housing.</p> <p>The site is heavily constrained due to its proximity to the adjoining properties, including access rights, a substation, rights of light and public highway used for loading to the London Road shops (Co-Op Food and Boots).</p> <p>The site could potentially accommodate up to 6 – 8 one and two bedroom flats subject to planning.</p> <p>The site is not an ideal site for residential. It is in effect on back-land with poor outlooks and suffers from delivery vehicle disturbances to the adjoining supermarket. From a development perspective, there are challenges in relation to working and site circulation space.</p> <p>As the council is working with its partners to ensure sufficient Primary Care in the city, as well as achieving best consideration for the site, coupled with the site constraints it is considered that the disposal of the site for the development of a new integrated</p>

	<p>Primary Care Centre should be recommended above developing the site for affordable housing, which will require subsidy to deliver.</p> <p>The site is not large enough for consideration for the New Homes for Brighton & Hove JV.</p>
<p>Council seeks to acquire the current St Peter's Medical Centre and develop the whole</p>	<p>We have enquired with the developer who confirms that given the work undertaken to date in developing proposals for a new integrated Primary Healthcare Centre, they are not willing to dispose of the site at this late stage.</p> <p>They are committed to delivering a new integrated Primary Care Centre at Oxford Street for the benefit of the city and principle disposal terms have been negotiated by GVA to confirm that the disposal meets the council's obligations to achieve best consideration.</p> <p>This is not therefore considered an option.</p>
<p>Council seeks to develop the site in conjunction with the developer</p>	<p>We have approached the developer, however the developer has confirmed that they do not wish to pursue a joint development.</p> <p>The developer has already explored opportunities on the site to deliver housing and council officers have challenged the developer on the need for a pharmacy within the development, and whether housing could be included instead.</p> <p>The developer confirms that the pharmacy is integral to the scheme, and assists viability. The patients will benefit greatly from an on-site pharmacy, where the pharmacist is able to work more closely with the GP Practice, than if offsite. The DV also expects a pharmacy wherever possible is part of the development in order to assist with viability by subsidising the GP surgery rent.</p> <p>We have also explored a mixed use development of the site, but due to the constraints of ensuring continuity of healthcare provision from the site and the need to provide a self-contained access with a separate stair/lift cores for any residential units, this is not a viable option whilst ensuring a phased development for the benefit of continuity of healthcare provision during the redevelopment. The council has received advice regarding the value and demand for mixed use development on this back-land suggesting that this would be modest if the site was brought forward for private ownership properties. The site is not viable for the development of affordable units.</p> <p>The developer has sought to maximise the site density, taking account of such issues as appropriate storey heights, the setting of the historic buildings at the immediately adjacent 25-29 Oxford Street, neighbouring rights of light, neighbouring rights of</p>

	<p>way (incl to the Co-op supermarket to the west), as well as the need to maintain a level of parking for the GP surgery, including, disabled patient spaces.</p> <p>It is considered that given the timing pressures of delivery on this site, time constraints of the ETTF funding, its small size and the complicated nature of agreements for Joint Ventures, this option cannot be recommended as it will pose too greater risk to the delivery of this scheme and has been rejected by the developer.</p>
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5 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 There is no requirement for community consultation in relation to the proposals of this report. Any future development of the site on which these recommendations are premised will be subject to public consultation as part of the planning process and future engagement with patients of either current or new practices that are proposed to occupy the space will be undertaken by the practices and BHCCG in the usual manner.
- 5.2 Engagement work has already been undertaken with local people and patients of the practice. This ranges from the overarching Big Health and Care Conversation, a Patient Reference Group established to support the Primary Care Strategy, local surveys by Healthwatch to very locally-focussed work from the practices' own Patient Participation Groups (PPGs). The key messages can be summarised as:
- In the recently published GP Patient Survey, St Peter's practice scored at or more highly than the national average on 7 out of 10 key indicators, which indicates how well the practice is doing in difficult circumstances and how strong a foundation there is there for building a high quality practice for the future.
 - There is unsurprisingly strong support for improvement to practice premises, with emphasis on improving access.
 - There is a strong expectation that the statutory agencies work together in a coordinated way to improve the provision of care to those with complex needs.
 - There is an openness to accessing care in new ways on the part of many (but not all) patient groups – e.g. online consultation – which is featuring in our planning
- 5.3 Further public and patient engagement events are planned for the middle and end of September, to ensure patients are able to express their views and concerns for the future and to reassure them of the excellent facilities that will be available to them once the scheme is confirmed and proceeding. At the time of writing, one of these events has taken place and was attended by patients of both practices. There was considerable support for the scheme.

6 CONCLUSION

Risks

- 6.1 Primary healthcare services are particularly at risk, given the low number of GPs (especially partners) and practices that serve this area (with variable size, suitability and quality of premises with no room for expansion as they are already full).
- 6.2 There is a real risk of the closure of both of the two existing sites. If the car park sale is not agreed quickly, the North Laine practice is expected to close in November 2018 and St Peters in 2020, leaving up to 16,000 patients without Primary Care service provision. Without suitable alternative health provision in this area, this will overwhelm the remaining local practices, many of which are also vulnerable – with the ensuing negative impact on the health and care of the local communities.
- 6.3 The risk of not proceeding with this scheme includes the loss of circa £1.24 million of ETTF funding for a new integrated health hub. The prospect of the new facility provides a strong incentive for the current GPs, nurses and non-clinical staff to remain working in the city; if this incentive is removed, there is a sharply reducing prospect of them staying – especially as partners, who form the bedrock of primary care.

Benefits

- 6.4 Proceeding with the proposed development will:
- Increase the supply of primary and community healthcare service floor space in the city, thus improving patient experience and addressing some of the concerns that have been expressed by local people.
 - Secure the future of GP service provision for 16,000 patients, with room for growth.
 - Facilitate integration between primary care and mental health care for our most deprived population.
 - Provide a strong incentive for GPs, practice nurses and non-clinical staff to come and work in the city.
 - Engage SPFT more deeply in primary care, thus adding resilience to primary care.
 - Be a significant step forward in the implementation of the CCG's primary care strategy.
 - Build on and progress joint working between the NHS and Council.

Social Impact

- 6.5 Council officers have sought to assess the Social Value and Impact as a result of these proposals.
- 6.6 Social Value can be defined in several ways. For BHCC: "Social Value is about securing maximum impact on local priorities from all public investment. The city will maximise social value by focusing particularly on strengthening communities through collaborative working across the public, private and community and voluntary sectors."
- 6.7 There may be a negative Social Impact from displacing users of the car park that can be mitigated by certain measures which might allow them park elsewhere set against the positive social impact from the provision of a new Integrated Primary Care Centre for the benefit of local residents.

- 6.8 The current 'pay and display' hours are from 8am – 8pm enabling car park users to park for free outside of these hours. Users of the pay and display may also be disadvantaged, but data from the council's parking team show that there is sufficient capacity at London Road Car Park, both during peak hours and overnight. We are therefore confident that sufficient local parking provision is available to car users/owners.
- 6.9 There will be some parking provision provided for users of the Integrated Primary Care Centre, including disabled spaces (subject to planning) so we do not anticipate and disadvantage to medical centre users.
- 6.10 The site is also within a sustainable transport corridor with 26 bus routes stopping within 100m of the current GP surgery. Car Club Cars are located on Stroudley Road and Lewes Road (opposite Phoenix Place). There are also BTNBike Share locations on London Road and at the north and south entrances to The Level.
- 6.11 The site is also located within Zone Y where there is currently a waiting list for parking permits, so those without permits, will have to join the list should they not already have a parking permit.
- 6.12 Given the above mitigation and the significant benefits that will be realised through the delivery of a modern, fit for purpose, Integrated Primary Care centre, bringing together collaborative working across health partners will have a positive impact on the local community, delivering on health priorities for the city, and shows that this option delivers the maximum positive impact.

Conclusion

- 6.13 Agreement of the recommendations of this report will ensure the future delivery and expansion of primary healthcare from modern, fit for purpose premises with collaborative working through New Models of Care and ensure that this opportunity is not lost.
- 6.14 The disposal terms satisfy BHCC's obligation to meet best consideration under S123 of the Local Government Act and can therefore be recommended. Please see Part II of this report for detailed terms.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The disposal of the Oxford Court car park will generate a capital receipt for the Council. The net proceeds, less any disposal costs incurred, will be used to offset the loss of rent at the site which is estimated to be a net income stream of circa £44,000 pa. Additional parking income may be generated through the displacement of users to other nearby car parks such as London Road car park and this will be monitored and reported through the Targeted Budget Management reporting process. Any shortfall in the income stream will be addressed within the Council's Medium Term Financial Strategy and reported as part of the Revenue Budget Update in December 2019.

Finance Officer Consulted: Rob Allen

Date: 17/9/18

Legal Implications:

- 7.2 Section 123 of the Local Government Act 1972 enables a local authority to dispose of land provided it achieves the best consideration reasonably obtainable. GVA have confirmed that the disposal of the car park recommended by this report does meet this test.

Lawyer Consulted:

Alice Rowland

Date: 10/09/2018

Risk and Opportunity Management Implications:

- 7.3 There is a risk that the site does not achieve planning permission, in which case the council can pursue the other options as above.

Public Health Implications:

- 7.4 Brighton and Hove has higher rates for a number of mental health indicators than other South East CCGs. These include 24% of the population reporting high levels of anxiety (SE 19%) and 5.5 % in contact with secondary mental health services (SE 4.5%). The rate of deaths by suicide and injury undetermined for 2014-16 was 14.4 deaths per 100,000 people (age standardised), a third higher than the rate for England (9.9 deaths per 100,000).
- 7.5 St Peters and North Laine practices are within the 20% most deprived areas of the city. Deprivation, after age, is the most important factor influencing all health including mental health. The highest levels of deprivation have the poorest health outcomes and the lowest life expectancy. Of those living in the 20% most deprived areas of the city 23% have a record of depression compared with 15% of those living in the 20% least deprived areas. Brighton and Hove has a high lung cancer incidence of 82 per 100,000 (England Ave 78) with poor survival rates which is in part due to higher smoking in areas of deprivation and especially so in people with mental illness.
- 7.6 The St Peters and North Laine practices' area has some of the highest rates in the city for factors that increase the risk of, or which are directly related to poor mental health. These include; high levels of unemployment benefit (JSA and Universal Credit) with only 36% people aged 16-74 in full-time employment compared with 39% across England. Households with multiple health needs 1.4% (England average = 0.5%), a loneliness indicator of -3.7 (compared with England average -3.9, with 0 being most lonely), and overcrowded housing. There are also a high number of people living with mental health problems who are receiving IB/ESA benefits which reflects these problems (3.5% of working age adults - England average = 2.8%).
- 7.7 North Laine and St Peters practices have the third (2.39%) and fifth (1.93%) highest CCG / city prevalence respectively of patients with severe mental illness (schizophrenia, bipolar affective disorder and other psychoses) compared to England 0.92%.
- 7.8 Nationally about two thirds of people with common mental health conditions receive no treatment at all so improving access through primary care to mental health services at an earlier stage helps address this gap, improve treatment outcomes and support people to have healthier lifestyles.

Corporate / Citywide Implications:

- 7.9 Caring Together is the first iteration of a joint strategic approach to transform health and social care in Brighton and Hove. It encompasses the requirements of

the NHS Five Year Forward View (FYFV) which forms part of the local Sustainable Transformation Programme (STP) and commits commissioners and provider to the planning and delivery of health and care systems that meet need now and for the future through new models of care and integrated health and social care systems.

- 7.10 The need for primary care and community services, together with workforce growth, means that the BHCCG, working in partnership with the Council and key partner provider agencies, is committed to the provision of healthcare services and workforce development that contribute towards meeting identified local population by supporting the integrated primary care centre.
- 7.11 As set out elsewhere in this report, this recommendation presents an opportunity to continue to facilitate the delivery of the modern fit for purpose premises for the delivery of integrated out of hospital healthcare in an area that meets the needs of some of the most deprived population. This opportunity, including the funding attached to the scheme, may be lost if the council does not agree to the support this proposal, including the sale of Oxford Court Car Park

SUPPORTING DOCUMENTATION

Appendices:

1. OS to show the site for disposal
2. Aerial plan to show site for disposal
3. Photos of current site for context