

MUNICIPAL YEAR 2011/2012 REPORT NO. 241

MEETING TITLE AND DATE:

Cabinet 25th April 2012

AGENDA

REPORT OF:

Director of Health, Housing and Adult Social Care & Director of Finance, Resources and Customer Services

Agenda – Part: 1

Item: %\$

Subject: Development of a Joint Service

Wards: Enfield Lock

Cabinet Members consulted: Councillors Charalambous, McGowan, Oykenner, Stafford

Contact officer and telephone number:

Brian Smart 020 8379 4101

E mail: brian.smart@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 In 2009, the Overview and Scrutiny Committee were made aware of the difficulties experienced by local residents when attempting to make appointments to see a GP at the Ordnance Road Surgery. The issue was referred to the Health Scrutiny Panel in 2010 and following an investigation it was concluded that the primary care infrastructure in the Enfield Lock ward, particularly around Ordnance Road, is inadequate both in terms of capacity and quality. There is an urgent need to deliver improved primary care facilities in the area to address these limitations, and Enfield Council has been working with NHS North Central London to identify suitable premises for a new GP Practice in Enfield Lock.
- 1.2 This work has also highlighted the requirement for a new Dental Practice and improved facilities for the current Ordnance Road Library and Kettering Hall. Enfield Council and NHS North Central London have therefore considered potential sites in the area to accommodate a “Joint Service Centre” that will provide a new GP Practice, Dental Practice, library and community space.
- 1.3 Drivers Jonas Deloitte have worked with the Council to assess the development opportunities for two potential sites: the Hertford Road Site, which currently accommodates the Ordnance Road Library, and the Ordnance Road Site, currently occupied by a Public House and Kettering Hall. The feasibility study and the NHS North Central London options appraisal concluded that the Hertford Road Site is the most appropriate site from both a planning and functionality perspective.
- 1.4 This report seeks approval to proceed with the development of a Joint Service Centre on the Hertford Road Site, subject to NHS London approval and a full public consultation. Subject to no planning delays, the Joint Service Centre could be operational by Summer 2014.

2. RECOMMENDATIONS

Ô[~ } 8â/5 Åe \^âÅ Å [c^Å@e/Öæã ^Åe !^^âÅ@Å ||| , ā* :

- 2.1** Agree to proceed with the development of a Joint Service Centre (GP Practice, Dental Practice, library and community space) on the Hertford Road Site, including the:
- Appointment of a design team
 - Submission of an application for planning permission
 - Public consultation.
- 2.2** Note the requirement that until the Occupation Start Date quarterly updates will be provided to the Director of Finance, Resources and Customer Services and the Cabinet Member for Finance and Property.
- 2.3** Note that the recommendation to proceed is subject to the Director of Finance, Resources and Customer Services approving under an operational decision the:
- Terms between the Council and the NHS
 - Terms between the Council and the Dental Practice
 - Most appropriate procurement process
 - Appointment of appropriate consultants
 - The identification of temporary library accommodation during the development of the new premises.
- 2.4** Delegate authority to decide the future use of the Ordnance Road Site to the Cabinet Member for Housing and the Cabinet Member for Finance and Property.
- 2.5** Please see Part 2 report.

3 BACKGROUND

- 3.1 On 1st October 2009 the Overview and Scrutiny Committee were made aware of the difficulties experienced by local residents when attempting to make an appointment to see a GP at the Ordnance Road Surgery in Enfield Lock. This issue was then referred to the Health Scrutiny Panel as a Councillor Call for Action on 30th March 2010.
- 3.2 An investigation carried out by the Health Scrutiny Panel concluded that a key issue is the unsuitability of the current Ordnance Road Surgery property. The inadequacy of the primary care infrastructure in terms of both quality and capacity, both in Enfield Lock and the borough more widely, has also been identified by NHS North Central London. The restrictions imposed by the current primary care estate prevent the delivery of better, more efficient and more integrated services that will improve the patient experience.
- 3.3 Enfield's Primary Care Strategy seeks to deliver improvements to primary care facilities across the borough generally, and there is an urgent need to deliver new, modern primary care facilities in Enfield Lock. Enfield Council and NHS North Central London have been seeking to identify suitable premises for a new GP Surgery to meet this requirement.
- 3.4 The requirement for a new GP Practice with improved premises is also supported by information on the health of the local population. The current Ordnance Road Surgery has higher than average (higher than both the Enfield average and national average) of patients with established hypertension; diabetes; cancer; psychoses; and depression. Additionally, of the 14,959 population in Enfield Lock, less than half (7,253, 48%) are registered with a GP, so there is a clear requirement to increase capacity of primary care facilities in the area.
- 3.5 During exploration of potential sites the requirement for a new Dental Practice and improved facilities for the current Ordnance Road Library and Kettering Hall have also been highlighted. Kettering Hall was identified as being in need of development and formed part of Phase Three of the Community Halls Modernisation Programme; however has since been removed from the programme of works. Equally, Ordnance Road Library, a concrete construction built in 1973, requires improvement and modernisation to ensure it is fit for purpose. The most recent condition survey undertaken in 2009 highlighted that extensive repair works were required as a result of concrete spalling, as well as repairs needed to the roof and roof lights. Whilst the current concrete building has two storeys, the first floor is currently inaccessible to the general public and as such is rarely used, so the space is being used very inefficiently.

3.6 Enfield Council and NHS North Central London have considered potential sites in the area to accommodate a “Joint Service Centre”, which will provide a new GP Practice, Dental Practice, library and community space. The development of a new landmark building forming a hub of activity, coupled with external investment in local infrastructure, is likely to increase footfall to the surrounding area and, over time, increase the prosperity of the Hertford Road High Street.

3.7 The floor area requirements for the Joint Service Centre are currently:

- GP & Dental Practice: 747m²
- Library: 850m²
- Community Hall: 100m².

The floor area requirements are likely to change as the project evolves.

3.8 Two potential sites owned by the Council have been considered in detail:

- Hertford Road Site – currently the site of the Ordnance Road Library (645 Hertford Road)
- Ordnance Road Site – refers to two plots of land that are currently the site of Kettering Hall and Ordnance Public House.

Please see Appendix 1 for a location plan of the two sites.

3.9 The key characteristics to note of each site are as follows:

Hertford Road Site	Ordnance Road Site
<ul style="list-style-type: none"> A General fund property 	<ul style="list-style-type: none"> A Housing Revenue Account property
<ul style="list-style-type: none"> Site area: 2,063sm 	<ul style="list-style-type: none"> Site area: 1,885sm
<ul style="list-style-type: none"> Predominantly single storey concrete frame library building 	<ul style="list-style-type: none"> Two plots of land which accommodate a vacant Public House and Kettering Hall
<ul style="list-style-type: none"> First floor is inaccessible to the general public and is rarely used 	<ul style="list-style-type: none"> Kettering Hall is a single storey timber frame building with a flat roof. Building has low energy efficiency and is in need of repair
<ul style="list-style-type: none"> Repairs and replacement are needed to the Library roof, roof lights, ceilings and concrete walling 	<ul style="list-style-type: none"> Public House is derelict and has been occupied by squatters
<ul style="list-style-type: none"> The Library needs annual inspections as concrete on the frame is spalling 	
<ul style="list-style-type: none"> Any closure would require temporary re-provision of the library on another site 	

3.10 The Council appointed Drivers Jonas Deloitte (DJD) to consider the development opportunities for the two potential sites, recommend the most suitable site for the Joint Service Centre and identify potential uses for the other site. With regards to the principles of development it has been agreed that all services should be co-located onto one site and the individual services within the Joint Service Centre should work together collectively and have a unified appearance, as opposed to looking at three distinct buildings co-located. The feasibility study considered both sites in detail and concluded that the current buildings on each site are unsuitable for renovation and adaptation for new uses, therefore a re-build would be necessary.

3.11 The feasibility study and other work to date have highlighted the following factors for consideration for each site:

Hertford Road Site	Ordnance Road Site
<ul style="list-style-type: none"> • Largest of the two sites (larger by 178m²) 	<ul style="list-style-type: none"> • Smaller of the two sites
<ul style="list-style-type: none"> • Dominant corner location in a mixed residential/commercial/retail use area 	<ul style="list-style-type: none"> • Located in a broadly residential area
<ul style="list-style-type: none"> • Provides an opportunity to create a landmark civic building 	<ul style="list-style-type: none"> • Lacks ability to create a landmark civic building
<ul style="list-style-type: none"> • Site can accommodate all services to form part of the Joint Service Centre 	<ul style="list-style-type: none"> • Site <u>cannot</u> accommodate all services to form part of the Joint Service Centre
<ul style="list-style-type: none"> • Scale/massing of the development can be accommodated on the site as a three, potentially four, storey development 	<ul style="list-style-type: none"> • A three storey development would not be acceptable
<ul style="list-style-type: none"> • Offers the opportunity for an active street frontage for the Joint Service Centre, suitable for a High Street location 	<ul style="list-style-type: none"> • Concerns about overlooking and increased traffic
<ul style="list-style-type: none"> • Would not require a change to planning use if developed as a Joint Service Centre 	<ul style="list-style-type: none"> • Change of planning use would be required if developed as a Joint Service Centre
<ul style="list-style-type: none"> • Greater potential to secure additional off-site parking 	<ul style="list-style-type: none"> • Less potential to secure additional off-site parking
<ul style="list-style-type: none"> • Clear preference of NHS North Central London 	<ul style="list-style-type: none"> • Not the preferred option of NHS North Central London
<ul style="list-style-type: none"> • Residential development is not the most suitable use for the site 	<ul style="list-style-type: none"> • Site provides a good opportunity for a new residential development

3.12 The feasibility study also highlighted that the following factors are common to both sites:

- Good transport links, including a bus stop adjacent to each site
- Fronting busy roads
- Close proximity to local pharmacies
- Car parking issues need further consideration.

3.13 The feasibility report and the NHS North Central London options appraisal both concluded that the Hertford Road site is the preferred option from both a planning and functionality perspective, in line with the features in 3.9 and 3.11.

3.14 Parallel to obtaining formal approval from the Council's Cabinet to proceed with the development of a Joint Service Centre on the Hertford Road site, NHS North Central London is seeking formal approval from NHS North Central London and NHS London and anticipate being in a position to confirm a decision in May 2012.

3.15 Further work is required to confirm the cost and funding arrangements of the new development as the detailed design is agreed. However, the development can be, in part, funded by the following:

- A capital receipt from the disposal of the Ordnance Road site which may be used to fund the re-provision of the existing community facility - the new community facility will remain within the Housing Revenue Account;
- Receipts under a proposed lease agreement with the NHS for the GP Practice and the Dental Practice which will seek to recover the Council's capital investment in creating these facilities (subject to NHS London approval).

Investigations are being made to ascertain if additional funding can be obtained from a "Regional Growth Fund".

3.16 Following approval of this outline business case, a full public procurement and consultation process will be required. An aggressive programme plan has been produced by Drivers Jonas Deloitte and indicates that, providing that there aren't any planning delays or difficulties obtaining approval at Enfield Council or NHS London, the Joint Service Centre will 'go live' in Summer 2014.

3.17 The feasibility report also concluded that the most appropriate use for the Ordnance Road site would be residential, and a separate report will be produced regarding proposals for this site.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 The existing services could continue to operate from the current premises. However, this would fail to increase primary care capacity in Enfield Lock and considerable investment would be required to the current buildings for each service.

4.2 The development could be split across two sites; however this option has been discounted as this would fail to co-locate all services onto one site to create a Joint Service Centre, reduce the potential to benefit from economies of scale and limit the ability to maximise the potential of each site.

4.3 The location of the Joint Service Centre on the Ordnance Road site has been discounted as planning restrictions limit the size of the development therefore it would not be possible to accommodate the GP Practice, Dental Practice, community hall and library onto the site.

5. REASONS FOR RECOMMENDATIONS

Approval is sought to proceed with detailed plans for a Joint Service Centre on the Hertford Road Site for the following reasons:

- The feasibility study concluded that it was the most appropriate site from both a planning and functionality perspective
- It is the preferred site of NHS North Central London therefore it is more likely to obtain approval to proceed without delays
- It can accommodate the scale of development required
- It creates an opportunity to provide a civic/landmark building
- It is in a highly accessible location
- It will deliver improved premises for key local services in the Enfield Lock Ward
- The current Ordnance Road Library building is in need of repair and modernisation, to ensure it continues to be fit for purpose.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

6.1.1 There is a range of detailed financial issues that can necessarily only be addressed once detailed bids are available following the public procurement process explained above. In particular the terms of the lease to be agreed between the Council and the two occupiers (the NHS and a dental practice) should ensure that the Council does not subsidise any external occupier and that the cost to the Council of providing the surgeries does not exceed the value of the assets created.

6.1.2 However, the initial work by Drivers Jonas Deloitte suggests that the business case falls into three distinct elements. The GP and dental practices will be paid for using rental rates agreed by the NHS and District Valuer, and the detailed designs etc will work within these parameters. The library expenditure will fall to the Council's capital programme, and decisions about the precise design, facilities, space etc, will balance cost and performance, in the usual way (i.e. to take view on the value for money of the facility). The Community Hall will be provided in line with existing practice, so that, again, services are improved within the funding available.

6.1.3 The new premises will be a multi purpose establishment. The construction costs will need to be apportioned between the three uses; the library (a General Fund service), a community facility (a HRA service) and a GP Practice/Dental Practice (General Fund Investment Properties). Ongoing building operating costs and shared services (utilities, rates, insurance etc) will be attributable to the different occupiers.

6.1.4 The Council's Capital Programme does not currently include any provision for this development. It is noted that the construction of the community facility can be funded from the disposal of the Ordnance Road site; however, there

may also be the requirement to appropriate the proportion of the land at the Hertford Road site relating to the new community facility to the HRA.

- 6.1.5 Assuming that the remaining elements of the project will be funded from prudential borrowing, General Fund revenue provision will be needed to meet additional Minimum Revenue Provision costs effective from the year after the new premises becomes operational (based on the expected useful economic life of the building) and interest costs accruing from the additional borrowing both during and after the construction phase.
- 6.1.6 The Council's investment costs will be partly offset against the lease rental income accruing from the surgery leases from the start dates of the proposed lease agreements. However, the lease agreements will need to be evaluated to determine whether they are operating or finance. This will require detailed information on the value of the buildings subject to each lease, their economic life and residual values at the end of the lease term. It should be noted that under a finance lease, the building assets will be accounted for as disposals and the repayment of the principal element of the lease will be accounted for as a capital receipt. This will have an impact on the financial evaluation of the development.

6.2 Legal Implications

- 6.2.1 The Localism Act 2011 (Commencement No. 3) Order 2012 (*SI 2012/411*) brought the general power of competence into force for principal local authorities. The general power of competence is set out in s. 1(1) of the Localism Act 2011 and states that a local authority has power to do anything that individuals generally may do. The proposed arrangements within this report are in accordance with this power.
- 6.2.2 Legal services will be instructed to ensure that the procurement of all goods, works and services will be procured in accordance with the Councils Constitution, in particular Contract Procedure Rules and EU rules. In addition, Legal Services will be instructed to deal with any legal property issues and compliance with the Property Procedure Rules and any property/planning legislation.
- 6.2.3 Legal agreements will need to be in a form approved by the Assistant Director of Legal Services.

6.3 Property Implications

- 6.3.1 The proposal will help to generate High Street activity in the nearby Hertford Road. It will result with the vacation and subsequent development of the Ordnance Road site.
- 6.3.2 A decision to proceed with the project will materially reduce the proposed expenditure for repairs and maintenance on the current accommodation.
- 6.3.3 The Joint Service Centre will have lower maintenance costs than the current accommodation. It will also be significantly more energy efficient.

6.3.4 When the project has greater certainty, terms between the Council and the NHS and terms between the Council and the dental practice will be finalised.

7. KEY RISKS

7.1 The key risks associated with this development are as follows:

- Time slippage delaying the delivery of improved primary care facilities in Enfield Lock. This risk is mitigated by putting in place appropriate project governance arrangements (e.g. project board, project plan, adequate resourcing etc).
- NHS North Central London and NHS London approval to proceed not obtained. This risk is being mitigated by LBE staff working closely with NHS staff at all stages, so that there is joint understanding and resolution of any outstanding issues.
- Cost of the development may exceed the budget available. This risk is mitigated by working within pre-agreed cost parameters for the NHS facilities, and by funding the library and community hall spaces in line with existing Enfield practices.
- Opposition from local residents regarding changes to service facilities during the development phase, which will be mitigated by the consultation exercise and ongoing media programme to explain the benefits of this facility to the local community and other stakeholders (such as the GPs themselves).
- The Ordnance Road site may not be sold within the timescales which could have an adverse impact on funding for the Joint Service Centre. This is essentially an issue of timing, which can be handled through the day-to-day management of the Council's cash flow, as long as the sale takes place within a reasonable time period.
- Delays in identifying appropriate solutions for the operational issues highlighted, for example the availability of the required number of car parking spaces. Staff at Enfield Council are working on resolving these issues as a matter of urgency, and as part of the detailed design and implementation work needed to make this facility a reality.

7.2 Subject to approval to proceed, a detailed risk register will be created and maintained for this project, to consider the likelihood of identified risks and mitigating actions that can be taken. This risk register will be monitored on a regular basis by the Joint Programme Board.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The development of a Joint Service Centre will benefit all members of the Enfield Lock Ward and the surrounding area. The development will deliver high quality, improved premises and thus improve access to a GP Practice, Dental Practice, library and community hall. In particular the development of the GP Practice will increase capacity of primary care services in the local area, improving services for local residents.

8.2 Growth and Sustainability

The development of a Joint Service Centre will add vitality to Enfield Lock, particularly around Hertford Road. The co-location of a number of key services will support growth and sustainability in the local area.

8.3 Strong Communities

By co-locating a number of key services on the Hertford Road site, relations between different community groups will be strengthened and facilitate greater community integration.

9. EQUALITIES IMPACT IMPLICATIONS

An Equalities Impact Assessment has been undertaken and is attached as Appendix 2. This highlights the need for a full public consultation and the production of a detailed communication plan should approval to proceed be obtained.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

The proposal will help to meet the following aims outlined within the Council's Business Plan:

- Aim 1: Build prosperous, sustainable communities
- Aim 6: Provide high quality and efficient services

This development will also increase capacity of primary care in the area and improve the quality of the premises in which local residents receive this care, having positive performance management implications for NHS North Central London and thus leading to improved services for local residents.

11. HEALTH AND SAFETY IMPLICATIONS

The proposal will have to be carefully controlled to minimise health and safety risks.

Background Papers:

- Council Call for Action Health Scrutiny Panel 7 March 2011
- Equalities Impact Assessment
- Feasibility Report.



Site 1: The Hertford Road Site

Site 2: The Ordnance Road Site.