

**Report to:** Cabinet  
**Date of Meeting:** 3 April 2019  
**Public Document:** Yes  
**Exemption:** None



**Review date for release** None

**Agenda item:** 5

**Subject:** Cranbrook Temporary GP practice

**Purpose of report:** To seek approval for up to £150k of funding from the Enterprise Programme to enable the delivery of a temporary GP practice in Cranbrook town centre.

**Recommendation:** That Cabinet recommend to Council to:

- Approve borrowing of up to £150k against ring fenced business rate income and for these funds to be made available to the NHS Devon Clinical Commissioning Group to enable the delivery of a temporary GP facility in Cranbrook town centre.
- Give delegated approval to the Chief Executive in consultation with the Leader and Strategic Leads for Finance and Governance & Licensing to agree the final level of funding, terms of how these funds are made available and subsequently recovered and to complete the funding agreement and any other necessary legal documentation

**Reason for recommendation:** Cabinet received a paper on the Enterprise Zone in April 2018. This sought approval for the principle of borrowing up to £8m against ring-fenced business rate income, with detailed approval for investing up to £3.4m for four specific projects. During the intervening period work has focused on the delivery of the approved projects, along with supporting the development of other opportunities. This has focused on overcoming barriers to delivery and bringing forward catalytic investments.

The current GP practice in the Younghayes Centre is at capacity. The temporary GP practice will enable the continued delivery of primary care services in Cranbrook for a period of 5 years. It will also bring increased footfall to the town centre and act as a catalyst for attracting wider investment.

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**Financial implications:** There is financial headroom within the EZ borrowing capacity to meet the cost of this contribution. The investment itself does not have the direct link to business rate growth as other schemes previously

approved, however the proposal being made is that this is offered as loan and will be subject to a legal agreement to ensure recovery of the advance being made. The overall benefits to Cranbrook and the EZ of the investment is set out in the report.

**Legal implications:** The principle of loaning money against future income is acceptable. It will be necessary for the Council to satisfy itself that the detail of this proposal is legally compliant (including in relation to State Aid requirements should this remain applicable) prior to loaning any money. It will be necessary to ensure that appropriate legal documentation is in place in respect of the funding. In that regard the legal team will carry out appropriate due diligence to ensure that the proposal is legally sound and that appropriate documentation is drawn up and entered into.

**Equalities impact:** Low Impact  
Potential impacts on equality will be managed through the Implementation Plan for the Enterprise Zone.

**Risk:** Medium Risk  
This project has been under-development for the past 18 months. Funding is required from the Enterprise Zone programme as a last resort to close a cost gap to enable the project to proceed. This will then allow a planning application to be submitted and a contractor/supplier to be procured. The funds will then be repaid over time.

**Links to background information:**

- [Overview report – January 2016](#)
- [Cabinet Paper May 2016](#)
- [Cabinet Paper November 2016](#)
- [Cabinet Paper March 2017](#)
- [Cabinet Paper November 2017](#)
- [Cabinet Paper April 2018](#)

**Link to Council Plan:** Working in and funding this outstanding place.

The Council Plan identifies a range of activities to deliver economic growth – including developing ways to deliver economic benefits, promoting inward investment and working with the Heart of the South West Local Enterprise Partnership to deliver growth.

## 1. Introduction

- 1.1 The GP practice in Cranbrook opened in 2013 and currently operates from the Younghayes Centre. As well GP consulting rooms this also provides accommodation for health visitors and midwives. Due to the rapid population growth and the needs arising from the young population profile this facility is now at capacity.
- 1.2 In recognition of the limited physical capacity a project has been under development for the past 18 months to deliver a temporary GP facility in Cranbrook town centre. This has involved a range of partners including NHS England, the Clinical Commissioning Group, County Council and Cranbrook Developer Consortium as well as Access Healthcare, the current practice operators.
- 1.3 The temporary GP facility will take the form of a modular building of some 563m<sup>2</sup> in area. This facility will provide sufficient space to span the gap between the current facility being

at capacity and new permanent provision coming forward in line with s.106 triggers for the expansion of the town. In the short term the additional space will allow new models of care to be tested in the town, for example in conjunction with health visitors and midwifery services.

- 1.4 Project costs have been developed through a series of project meetings and are now estimated at £600k for the physical works. The main funder is NHS England who will make funding available to Access Healthcare to procure SIBCAS to deliver the facility. Project costs have escalated over time as the budget has been refined. NHS England have increased the amount of funding available but it is now clear that this is still short of the amount required to finally enable the project to proceed. This primarily relates to costs associated with groundworks and site servicing. NHS England has indicated that they have no further funds available. Responsibility for commissioning primary care services was delegated to the NHS Devon Clinical Commissioning Group at the beginning of April.

## **2. Proposal**

- 2.1 In order to close the cost gap and enable the project to proceed it is proposed that up to £150k of funding is made available through the Enterprise Zone programme. This will be primarily aimed at the site servicing and infrastructure costs and will enable the project to proceed. The funds will then be recovered from the CCG over time, with the intention that this will be in accordance with the Enterprise Zone's standard loan terms.
- 2.2 This is an urgent requirement because of the lack of capacity at the current practice. Whilst Access Healthcare have had their contract extended there are significant concerns over the ability to deliver increasing patient numbers. Expanded facilities are therefore urgently required.
- 2.3 Furthermore there is an additional timing issue in that the modular facilities will need to be procured and installed before the peak summer period where the company responsible primarily focuses on meeting the need for temporary classrooms for school. Given the urgent need to deliver the additional healthcare facility and pressure of securing the modular space prior to the peak season, this is the reason for the late report to Cabinet as it will need to go on to Council for a decision and if this doesn't happen now then it won't happen until the end of July and that will potentially jeopardise delivery of improved services going forward.

## **3. Assessment**

- 3.1 The Enterprise Zone programme is primarily aimed at securing economic development outcomes rather than enabling the provision of healthcare services. It is certainly not the District Council's responsibility to commission primary care services. Nevertheless this is considered to be an important project that will itself enable increased employment and, critically, lead to increased footfall within the town centre. This is likely to have a catalytic impact in terms of securing further investment in Cranbrook town centre, a key objective of the Enterprise Zone programme.
- 3.2 The project has been developed over a significant period of time and the need for it is now urgent. The extra space available within the temporary facility, particularly in its first two years of operation, will allow new models of care to be tested on the ground in Cranbrook. This in itself goes to the heart of the Healthy New Town status of the town. The facility will therefore bring a wide range of benefits to the town.

- 3.3 Whilst the project has been under development for some time a final budget has yet to be confirmed as this hinges on the outcome of the procurement process which covers a number of different aspects including the modular space delivery. It is proposed to make up to £150k available as a loan and for this to be targeted at groundwork and site servicing costs. This should provide sufficient flexibility to ensure that the project can proceed whilst still ensuring value for money. Final agreement of the sum to be loaned will be necessary once the NHS have completed the procurement process, although it will be capped at £150k.
- 3.4 NHS England has previously indicated that no further funds are available and although the responsibility is now delegated to the CCG, as for NHSE, it would need to consider this in the context of the overall primary care requirements as it would require additional allocation. The proposal to make further funds available is due to be discussed by the Primary Care Committee of the CCG in April. Subject to this the terms of the how the funds are made available and subsequently recovered can then be recovered.
- 3.5 The potential for this investment to be conditional on the 'spare' space (i.e. above and beyond the operational requirements of the GP practice ) that is expected to be available in the first two years of the operation of the facility being made available free of charge to other user groups will be explored with the CCG. This will allow maximum flexibility of use of the facility as the town continues to grow rapidly.

#### **4. Conclusion**

- 4.1 The provision of primary care services is critical to any community, not least one that is also designated as a Healthy New Town. It is clearly not the District Council's responsibility to commission these services. This investment will though enable the temporary GP facility to be delivered at pace and to meet a pressing need. It will also help to realise a wider set of benefits, not least acting as a catalyst for wider investment in the town centre and will help to fulfil the objectives of the Enterprise Zone programme. Finally the funds will be recovered representing good value for money.