

Broom Lane Medical Centre Extension & Refurbishment Project

Business Justification Case Submission

Lead Executive:	Wendy Allott – Chief Finance Officer
Lead Officer:	Jacqui Tuffnell - Head of Commissioning
Estates Lead:	Simon Barnes - Capital Programme Manager

Purpose:

The purpose of this paper seeks approval to submit the Broom Lane Medical Centre Business Justification Case (BJC) to NHS England for their approval.

Please refer to Appendix 1 for draft of the BJC.

Background:

STP Capital Programme – Wave 4a

In August 2019 South Yorkshire and Bassetlaw Integrated Care System (“SYB”) was ‘awarded’ £57.5million of new Department of Health & Social Care (“DHCS”), Sustainability and Transformation Partnership (“STP”) capital funding to improve primary care facilities in the locality. The primary focus of the funding is to:

- Create integrated service hubs bringing together primary care, community care and social care under one roof in purpose-built settings, offering the ability to deal with a wide range of issues affecting local communities in one location
- Improve GP practice facilities so that they are able to meet the minimum requirements needed to become a ‘training practice’, which means we will be able to train more primary care staff in South Yorkshire and Bassetlaw
- Undertake significant refurbishment and extension of existing primary care facilities so they are flexible and adaptive spaces which allow a wider range of health and wellbeing services to patients
- Join up local services and therefore improve the use of digital in primary care

An SYB ICS Estates Programme Board (EPB) was established to oversee the delivery of the programme which currently has circa 21 projects in development. The Broom Lane Medical Centre (“BLMC”) reconfiguration & extension is one of these projects.

A key function of the EPB is to achieve DHSC & Her Majesty’s Treasury (“HMT”) approval of a Programme Business Case (“PBC”). The initial PBC will demonstrate how the overall investment programme delivers that level of (“Value for Money”) VFM and the system level benefits expressed in the original SYB STP bid.

The PBC received DHSC, HMT and Ministerial approval in January 2022. This is a significant milestone and allows the funding to flow to the projects on approval of their individual business cases.

Project Delivery

RCCG with its supply chain partners is progressing the development work of the two projects and in parallel drafting the respective project BCs

Broom Lane Medical Centre (BLMC) - The project is to extend the existing BLMC by 322m² on adjacent land. (The practice have an option to purchase in place which is currently in the final stages of Completion and Exchange). In addition, 186m² of the existing BLMC will be reconfigured so that the two spaces work together in a modern fit for purpose way. The combined list size will 10,000 patients.

The GP Practice is the Broom Lane Medical Centre and the two sites in the project are:

- Broom Lane Medical Centre, Broom Lane, Broom, Rotherham, S60 3EU (GP Owned) – 8300 patients
- Broom Valley Medical Centre, 102-104 Broom Valley Road, Rotherham, S60 2QY (GP Leased from RMBC) - 1700 patients

On completion of the project the Broom Valley site will be vacated and the patients and staff will transfer to Broom Lane (note that this closure was approved at the Primary Care Committee in January 2022).

Key Facts

- construct a two storey extension on the adjacent land;
- reconfigure part of the existing building;
- headline cost (VAT incl.) – £2.5m;
- project delivered under Direction 6, 100% NHSE capital; and
- new GIA – 846m².

Analysis of key issues and of risks

Please see the BJC in appendix 1 for a detailed risk register.

The key risk at this stage is securing the construction contract price so it is within the allocated capital funding budget. We have already tendered the construction and the market has been responsive. A tender analysis has been undertaken with a preferred contractor identified. The contractor held its price for 12 weeks which has now expired; however, we expect the costs to increase. The cost plan has contingency which we will manage. The impact is if the costs go above the budget, then we will have to value engineer the scope in order to deliver the project.

Patient, Public and Stakeholder Involvement:

Formal stakeholder engagement and consultation has been undertaken and was approved at the January 2022 PCCC.

Equality Impact:

NA

Financial Implications:

As described above the SYB capital Programme Business Case is approved and enables the funds to flow for the BL project subject to BJC approval. The capital costs for the project will be met by the programme and any costs escalation will be locked down through the construction contract. Any variations will need to be funded and managed by the practice.

The current rent, circa £50k will continue to be reimbursed to the practice. Future rent reviews will exclude the capital improvements that have been funded and carried out through the project. The “abatement period” is 45 years.

Water and business rates will continue to be reimbursed by RCCG and it is estimated that this will have a cost neutral effect due to “savings” becoming available due to the Practice vacating the Broom Valley site.

Human Resource Implications:

NA

Procurement Advice:

Construction has been tendered and compliant with HMT Premises Cost Directions.

Data Protection Impact Assessment:

NA

Approval history:

PCCC approved the PID for submission to NHSE.

Recommendations:

The recommendation is to approve request for the BJC to be submitted to NHSE for approval.

Paper is for Approval

Appendix 1

Broom Lane Medical Centre BJC