



Cambridge City Council

Item

To: Executive Councillor for
Report by: Diane Docherty
Relevant scrutiny committee: COMMUNITY SERVICES
Wards affected: All

Project Appraisal and Scrutiny Committee Recommendation

Project Name: Refurbishment of 125 Newmarket Road, Cambridge (SC529)

Recommendation/s

Financial recommendations –

- The Executive Councillor is asked to approve the commencement of this updated scheme (SC529). *(Note: Funding was included in the Council's Capital & Revenue Project Plan in February 2012 and made incorrect reference to a grant, whereas the intention is to directly fund the refurbishment of a Council asset.)*
- The total cost of the project will be no more than £100,000, funded from the repairs and renewals fund for 125 Newmarket Road.
- There are no ongoing revenue implications arising from the project for the Council. The lessee, in accordance with previous lease arrangements, will meet any ongoing maintenance costs.

Procurement recommendations:

- The Executive Councillor is asked to approve the carrying out and completion of the procurement of renovations to the Council's asset at 125 Newmarket Road, (known as Cambridge Access Surgery) at a cost not exceeding £100,000. Works to be carried out within budget after consultation with internal architects.

Subject to:

- The permission of the Director of Resources being sought prior to proceeding if the quotation or tender sum exceeds the estimated contract.
- The permission from the Executive Councillor being sought before proceeding if the value exceeds the estimated contract by more than 15%.

1 Summary

Council owned premises at 125 Newmarket Road are currently utilised as a GP surgery for homeless persons, offering a full range of care to 400 patients who are homeless, at risk of homelessness or otherwise unsuitably housed.

The surgery is a Victorian building on 4 floors, which was last refurbished prior to its opening in 2003 and is in urgent need of attention and would benefit greatly from refurbishment.

Building refurbishment would bring the surgery aspects of the building up to current clinical standards, enable services to be delivered in a more respectful environment for patient/clients, develop services by bringing more of them into the building, improve multi-agency working and improve patient and staff safety.

1.1 The project

| | |
|---------------------------|-------------|
| Target Dates: | |
| Start of procurement | July 2012 |
| Award of Contract | July 2012 |
| Start of project delivery | August 2012 |
| Completion of project | TBC |

1.2 The Cost

| | |
|--------------------|------------------|
| Total Project Cost | £ 100.000 |
|--------------------|------------------|

Cost Funded from:

| Funding: | Amount: | Details: |
|-------------------------|-----------------|---------------------------|
| Reserves | £0 | |
| Repairs & Renewals | £100,000 | R&R Fund 11510 |
| Developer Contributions | £0 | |
| Other | £0 | |

Ongoing Revenue Cost

| | | |
|---------|-----------|--|
| Year 1 | £0 | R&R fund provision already exists for standard major building works |
| Ongoing | £0 | |

1.3 The Procurement

The main contractor will be selected following the Council's procurement rules. A minimum of 4 no. Contractors will be randomly selected from the Council's 'Approved list of contractors' to tender for the works, as the scheme is below the £500k threshold. Both price and quality will be analysed and scored in the tender evaluation by the project team and the most economically advantageous tender will be selected for the work. The management of the project will be undertaken by the Council's Architects who will also provide, as well as procurement, a full service of design and drawings and contract administration to final account. (As 2.9)

2 Project Appraisal & Procurement Report

2.1 The Project

The Cambridge Access Surgery (CAS) is located at 125 Newmarket Road and offers specialist primary health care services to around 400 patients who are homeless or have experienced homelessness.

The building was purchased by the City Council with a grant from the then Office of the Deputy Prime Minister (ODPM) so that the Council could work more closely with health care services to achieve better health and homelessness prevention outcomes for homeless people and is currently leased to Cambridge Community Services (CCS) NHS Trust

The development of this service has meant that Cambridge has very good patient registration levels amongst this client group. A review of the service was conducted in August 2007. The review involved extensive consultation with patients and stakeholders. A report detailing the findings was published in January 2008. The patient consultation revealed that: in the event of services not being available at the Access Surgery:

- 21% reported that they would not access health care at all
- 26 % reported that they would attend accident and emergency services
- 49% reported that they would access other GP services but many drew attention to the difficulty of doing this in practice. Reasons cited were finding it difficult to maintain clinical relationships and being declined registration.
- Patients also observed that they were likely to be more ill before they sought treatment or were able to access health care

An additional aspect to the development of the service at Newmarket Road was that other homelessness services were co-located on site and the stakeholder respondents to the review concluded that this provided '*an essential link between health and other services*'

The Access Surgery currently provides the full range of primary care services and a number of additional services, tailored to the

needs of the homeless client group. These include joint drug treatment clinics and joint alcohol treatment clinics (both involving the current provider of adult substance misuse treatment in Cambridgeshire), weekly in-house appointments with a psychiatrist and practice nurse outreach clinics at Jimmy's Night Shelter, Wintercomfort and two main homeless hostels in Cambridge. Surgery staff are also actively involved with the Sex Workers Advisory Network (SWAN), which is working, to promote safe sex and address the health and social needs of street based sex workers in Cambridge.

The surgery has adjusted its clinical focus to provide care for medical problems more frequently found in the homeless client group, for example those related to mental health, substance misuse, alcohol, sexually transmitted diseases and blood borne virus infections

It also seeks out patients in need of care (for example, substance misusing patients needing immunisation against hepatitis B, patients with asthma in need of a medication review) through a continuous audit process.

The outreach service offers health promotional advice and immunisations and GPs and nurses at the surgery have developed specialist knowledge in substance and alcohol misuse (The surgery manages 60 of its patients with substance misuse problems in-house) and liaise closely with the Alcohol Community Psychiatric Nurse who is part of the Cambridge Street Mental Health Outreach Team and also based on site at the surgery premises.

In spite of intensive intervention and (apparently) easy access to health care at the surgery, the patient group suffers an excess morbidity and mortality related to drugs, liver/gastrointestinal disease often secondary to alcohol problems, mental health problems, infections (often related to drug use and often involving long admissions to hospital and sometimes death). Patients are often 'frequent attenders' at Addenbrookes hospital.

There is a need to further the development of a holistic package of health care services at Cambridge Access Surgery. The City Council is working closely with Cambridge Community Services

(CCS) NHS Trust to develop and enhance the service offered to homeless people at 125 Newmarket Road. As part of this plan, a significant upgrade to the building is required to ensure that patient consultancy rooms meet clinical standards, to upgrade the information technology services within the building to improve services to patients and to refurbish the building throughout for the first time in the 8 years since the City Council took on the ownership of the property.

Contained within the lease to CCS is a requirement for the City Council to set aside funds to conduct structural repairs to the building and for CCS to manage internal refurbishments and repairs. However, sufficient funds have not been available for CCS to do this. The Council currently has a repairs and renewal fund of £213,000 for the building and a recent assessment of requirements to 2020 showed that only £43,000 was required. Members are, therefore, asked to consider whether up to £100,000 could be released from the repairs and renewal fund for the building upgrade to take place

The grant would ensure that the building is fit for purpose to deliver enhanced health care with services expanding to include:

- Enhanced substance misuse, mental health and alcohol treatments
- Dental, podiatry and optometry services
- In house management and treatment of Hepatitis C

2.2 Aims & objectives

A City which is diverse and tolerant, values activities which bring people together and where everyone feels they have a stake in the community

The access surgery enables the most vulnerable people in our city to equal access to medical care, ensuring that the basic rights of homeless people are addressed.

2.3 Major issues for stakeholders & other departments

The City Council architect department would undertake the procurement for the building works and management of the

project, and anticipate being able to do this within current staffing resources.

Consultation has been done with current patients at the surgery, and Members have already approved the investment following a paper to committee in March 2012. The building being brought up to a good standard would enable a better service to be delivered to homeless clients in need of a range of medical care.

2.4 Summarize key risks associated with the project

There are reputational risks associated with not undertaking the works, in terms of the lessee operating from City Council premises that are no longer fit for purpose and do not meet current clinical standards.

The current lease has expired, and renewal of the existing lease and continuity of service delivery may be hampered if the works are not undertaken.

2.5 Financial implications

a. Appraisal prepared on the following price base: 2011/12

2.6 Capital & Revenue costs

| (a) Capital | £ | Comments |
|---|----------------|---|
| Building contractor / works | £86,500 | |
| Purchase of vehicles, plant & equipment | | |
| Professional / Consultants fees | £13,500 | Architects Fees and Construction Consultants Quantity Surveyors |
| IT Hardware/Software | | |
| Other capital expenditure | 0 | |
| Total Capital Cost | 100,000 | |

| (b) Revenue | £ | Comments |
|---------------------------|----------|--------------------------|
| Maintenance | 0 | Responsibility of lessee |
| R&R Contribution | 0 | Already in existence |
| Total Revenue Cost | 0 | |

2.7 VAT implications

"The Council will incur exempt input tax (VAT on the capital expenditure as highlighted within this report). As the Council receives lease income from Cambridgeshire PCT, this is categorised as VAT exempt income, and by statute, the Council will be required to include the VAT on the capital expenditure as described in this report, within its Corporate Partial Exemption limit of 5%.

To mitigate any VAT recovery risks to this Council, the Council could 'Opt to Tax' its lease with the PCT, but would potentially increase their costs by the VAT levied, which may cause them a VAT recovery problem.

HMR&C have introduced a 'new' 7 year average for the above mentioned Partial Exemption calculation.

The Council, however, is reasonably confident that it will be able to absorb this expenditure within its 5% Partial Exemption limit, and consequently not cause any adverse VAT implications. Careful VAT monitoring of this scheme will be required and therefore it is requested that the Accountant (VAT & Treasury) be involved at all of the critical stages of this project."

2.8 Environmental Implications

| | |
|-----------------------|-----|
| Climate Change impact | Nil |
|-----------------------|-----|

2.9 Staff required to deliver the project

| Resource | Estimated Time | Capacity |
|------------------------|-----------------------|-------------------|
| Architects | 190 hours | Existing capacity |
| Housing Staff Resource | 70 Hours | Existing capacity |
| Procurement | Included in 190 above | Existing capacity |
| Legal | 1 week | Existing Capacity |

(Architect's duties involving:--Design, consultation, production drawings, specification/ schedules of work, Planning permission, Building regulation permission--submission and approval for both, procurement and tendering contract, evaluating the scheme, organising the contract documentation to let the scheme, administer the works on site, site

inspection and administration including valuations (with QS) up to Practical Completion of the works, administration throughout the defect rectification period, final account (with QS) and signing final certificate----plus all meetings and correspondence).

Quantity Surveyor----approximately 60 hours, provided externally.

(QS duties involving provision of part of the contract documentation for tendering, financial service including updates and keeping abreast of expenditure, monthly valuations and final valuation --- plus all necessary correspondence).

2.10 Dependency on other work or projects

There are no inter-dependencies on any other current projects.

2.11 Background Papers

- Transformation Document
- Sheriff Tiplady Indicative Quotation

2.12 Inspection of papers

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Capital Project Appraisal - Capital costs & funding - Profiling

Appendix A

| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | Comments |
|---|------------------|----------|----------|----------|----------|----------|
| | £ | £ | £ | £ | £ | |
| Capital Costs | | | | | | |
| Building contractor / works | x | | | | | |
| Purchase of vehicles, plant & equipment | x | | | | | |
| Professional / Consultants fees | x | | | | | |
| Other capital expenditure: | | | | | | |
| Total Capital cost | 0 | 0 | 0 | 0 | 0 | |
| Capital Income / Funding | | | | | | |
| Government Grant | | | | | | |
| Developer Contributions | | | | | | |
| R&R funding | 100,000 | | | | | 11510 |
| Earmarked Funds | | | | | | |
| Existing capital programme funding | | | | | | |
| Revenue contributions | | | | | | |
| | | | | | | |
| Total Income | 100,000 | 0 | 0 | 0 | 0 | |
| Net Capital Bid | (100,000) | 0 | 0 | 0 | 0 | |

