

# CABINET

21 February 2012

## Community Use Project at Ketton library

### Report of the Strategic Director for Places

STRATEGIC AIM:	Meeting the health and well-being needs of the community Building our infrastructure		
KEY DECISION	YES	DATE ITEM FIRST APPEARED ON FORWARD PLAN	January 2012

#### 1. PURPOSE OF THE REPORT

- 1.1 This report outlines the action required to create a surgery and dispensary within Ketton Library. The vision is that with a number of building modifications a community cafe can be created in addition to the library and surgery facility can be created, leading to the retention of much needed facilities in the local community.
- 1.2 In order to achieve this conversion approval is sought to lease part of Ketton Library to Uppingham Surgery (supported by the PCT) and alongside this the approval of a project budget drawn together from a number of different funding sources across the partners involved in the project.
- 1.3 In addition, approval is sought for the Councils contribution to the project budget, which has been drawn together from a number of different funding sources across the partners involved in the project

#### 2. RECOMMENDATIONS

- 2.1 **That Cabinet endorse the project budget of £68,243, drawn from a number of approved sources, including the use of developer contributions arising from a Section 106 Agreement for development in Ketton. Cabinet is also asked to agree in principle to underwriting the Section 106 contribution elements from prudential borrowing in advance of the expected Section 106 contributions (£16,038)**
- 2.2 **That Cabinet agree to lease part of the library building and specific parking spaces, delegating authority to the Strategic Director for Places in consultation with the Portfolio Holder for Asset Management and Finance to finalise the details of the lease.**

#### 3. REASONS FOR THE RECOMMENDATIONS

- 3.1 To allow the surgery to relocate into the library site, allowing sufficient time for the alterations to be completed and occupation achieved prior to the programmed operational date of the 1<sup>st</sup> June 2012.

- 3.2 Provide users of the existing Surgery in Ketton with sufficient notice (3 months) of the change of location for the delivery of GP services in line with the Primary Care Trusts policies.

#### **4. Background**

- 4.1 In May 2010 the Uppingham Surgery Partners applied to the Leicestershire County and Rutland Primary Care Trust to close the Ketton Surgery. This decision was based largely on the unsuitability of the current premises, plus the lack of suitable alternative premises.
- 4.2 Since June 2011 the Uppingham Surgery has been working with the Ketton Parish Council Surgery Working Group and Rutland County Council to find a suitable and more accessible location. The current proposal is to create a surgery and dispensary within Ketton Library. The vision is that this conversion would provide a community cafe as well as a library and surgery facility. This has been positively supported by the Local Strategic Partnership and £30k funding allocated.
- 4.3 A Project Board has been established, Membership of this board consists of relevant Portfolio Holders and Ward Members, officers of Rutland County Council and representatives from each of the external project partners; (Primary Care Trust, Uppingham Surgery and Ketton Parish Council)
- 4.4 The Primary Care Trust Board recommended on 13 October that the Primary Care Trust continue to work with Rutland County Council, Parish Council and the Practice to drive forward the project for completion so the service can transfer from 1st April 2012. However, due to the significant amount of work required to facilitate this refurbishment, all parties have now agreed the revised date for service transfer to be 1<sup>st</sup> June 2012
- 4.5 In order to achieve the required project outcome, the building requires some significant remodelling and a formal leasing arrangement to Uppingham Surgery (Supported by the PCT)

#### **4.6 Building Modifications**

The Property team have been working with the PCT, Surgery and Parish Council over the past few months to agree the design and progress the scheme in order to obtain costs.

A local architect has been appointed who provided detail drawing packages in December 2011; this information was then sent out for tender in line with the contract procedure rules.

All tenders received were assessed for completeness and a contractor selected to deliver the works. Significant cost savings have been assessed in an attempt to bring costs down.

Plans are attached to this report providing details of the existing internal configuration and proposed (Appendix 3a and 3b)

#### **4.7 Lease**

Draft Heads of Terms have been issued to Uppingham Surgery (Appendix 1) and the PCT. These have been agreed with the exception of the Permitted Use, and there are queries relating to VAT, insurance and car parking.

The PCT has queried whether VAT will be charged on the rent and it is currently envisaged that this will not be charged but this is subject to advice from Finance.

Clarification has been requested from the PCT regarding their amendment to the User clause, specifically the inclusion of Use Class B1 [office/research/light industry].

Peterborough Legal Services have received preliminary instructions regarding the lease. Any amendments requested will be included within the draft lease and this will be forwarded to the PCT solicitors as soon as possible thereafter. It is envisaged that the lease can be agreed by the end of February to enable the Surgery to provide the 3 months' notice of relocation to the patients.

#### **4.8 Project Finances**

The attached budget analysis sheet (Appendix 2) details the position with the project finances. At present the project has income confirmed at £68,243 which is made up of LSP funding, Section 106 contributions and agreed funding sources from the project partners.

The tendered cost for the project, including all project fees and statutory approvals is £68,168. It should be noted the funding from S106 Agreement has yet to be received but the risk is low as the development has commenced. However, there may be a lag between funding being received given the trigger points for payment (occupation of 9<sup>th</sup> and 18<sup>th</sup> units) and costs being incurred on the project which Rutland County Council will need to cover before the receipt of the Section 106 funding.

#### **4.9 Parking Facilities**

The scheme as designed allows for two disabled parking bays to be formed within the boundary of Rutland County Council land, which will meet the essential criteria for the PCT / Surgery. Discussions are on-going with the Diocese regarding formalising the use of the land to the rear of the Library for additional car parking. The Diocese agents have verbally confirmed that they will be putting forward two options, being either for a sale of the freehold at market value or a lease of the land at a market rental.

It is expected that further information will be forthcoming from the Diocese and information presented to Cabinet at the meeting if available.

## 5. RISK MANAGEMENT

<b>RISK</b>	<b>IMPACT</b>	<b>COMMENTS</b>
<b>Time</b>	<b>H</b>	The programme is tight between approval to proceed, planning permission and the proposed opening on 1 June 2012, any delay in a decision to proceed beyond end Feb puts this at risk.
<b>Viability</b>	<b>L</b>	This is a good example of joining up services to the community to make best use of public sector assets.
<b>Finance</b>	<b>M</b>	Full project funding in place (Appendix 2)
<b>Profile</b>	<b>H</b>	The surgery facilities in Ketton will be lost if this scheme cannot be delivered .
<b>Equality and Diversity</b>	<b>H</b>	An Equality Impact Assessment Screening has been completed and a full Equality Impact Assessment will be required before development commencing.

### **Background Papers**

Ketton Library & Surgery Project Board  
Minutes 10/01/12

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A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.

## **Appendix 1**

### **Draft Heads of Terms – Ketton Surgery Project**

a) Tenant Uppingham Surgery

b) Rent Market rent payable quarterly in advance, with no rent reviews during the term of the lease. [This rent only includes 2 parking spaces].

c) Service charge The Tenant to contribute a proportion of the services attributable to the building, to include Business Rates, Electricity & Water, Cleaning and grounds maintenance.

d) Lease length 5 years [no break clauses], commencing 1st June 2012

e) Security of tenure

The lease to be contracted out of the Landlord & Tenant Act 1954 security of tenure provisions.

f) Assignment and subletting

Assignment or subletting of the leased area, to a similar organisation only, will be permitted subject to the Landlords consent, such consent not to be unreasonably withheld.

g) Repairs The tenant will be responsible for internal repairs. The landlord to be responsible for external repairs, internal repairs of the non-demised areas, non-exclusive services and major items.

h) Alterations Landlords consent will be required for any alterations to the demised areas; No other alterations permitted. Tenant to pay the Landlord's reasonable costs in dealing with any consents.

i) Permitted Use The demised areas to be used as for GP Reception / Dispensary / Consultations only, with such opening hours as shall be agreed from time to time by the Landlord.

j) Insurance The landlord to insure the building for normal insurable risks and to recharge a proportion of the reasonable costs of doing so to the Tenant as additional rent on an annual basis [the Tenant to pay any part of the premium that may be wholly attributable to the Permitted Use]. The lessee to provide all other appropriate insurances.

k) Rates and utilities

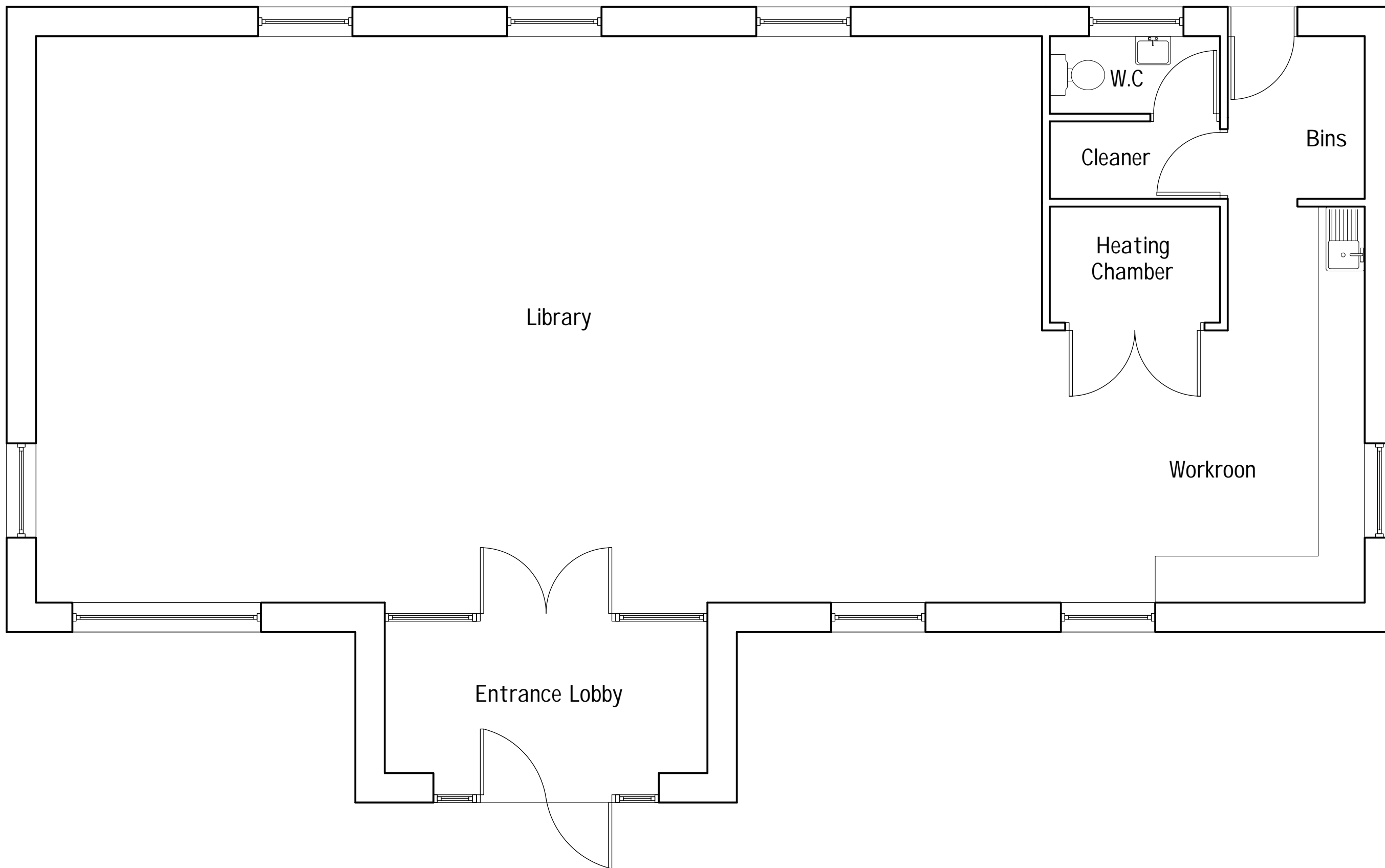
The tenant will be responsible for the payment of all rates, taxes and utilities relating to the demised area, and a proportion of any relating to the other parts of the building.

l) Legal Costs The lease will be prepared by the Landlords Solicitor and the Tenant to pay the Landlord's reasonable costs.

m) End of lease At the termination of the lease, for whatever reason, the premises to revert to the landlord in good & substantial repair, and the original layout to be reinstated, if required by the Landlord, at the Tenants cost.

**APPENDIX 2**

<b>Rutland County Council - Ketton Library / Surgery Development</b>				
<b>BUDGETED INCOME</b>	<b>Project total</b>	<b>Total Funds Received To Date</b>	<b>Outstanding Funds not yet Received</b>	<b>Notes</b>
	£			
<b>Confirmed Funding Contributions:</b>				
LSP Funding	30,000	30,000	-	Funding Approved
PCT Section 106 Contribution	3,921	-	3,921	
Ketton Parish Council Contribution	5,000	-	5,000	
Surgery Contribution (Fit Out Elements Only)	10,000	-	10,000	Budget cost to be amended once formal quotation received from principal Contractor - Surplus to be considered as additional funding
Recreation, Sport and Leisure Section 106 (Contribution from Stepford Homes)	10,000	-	10,000	Subject to occupation of the 9th dwelling
Library Service Section 106 (Contribution from Stepford Homes)	1,709	-	1,709	
Museum and Archive Service Section 106 (Contribution from Stepford Homes)	408	-	408	
<b>Confirmed Funding Contributions Total:</b>	<b>61,038</b>	<b>30,000</b>	<b>31,038</b>	
<b>Additional Funding Contributions</b>				
Ketton Parish Fundraising Contribution	1,205	-	1,205	Confirmed at Project Board 10/01/12
Uppingham Surgery Additional Contribution	2,000	-	2,000	Confirmed via email - 24th Jan 2012
Ketton Parish Council Contribution	2,000	-	2,000	Confirmed via email - 29th Jan 2012
PCT Contribution	2,000	-	2,000	Confirmed via email - 31st Jan 2012
<b>Funding Contributions TBC Total:</b>	<b>7,205</b>	<b>-</b>	<b>7,205</b>	
<b>TOTAL RESOURCES</b>	<b>68,243</b>	<b>30,000</b>	<b>38,243</b>	
<b>BUDGETED SPEND</b>	<b>Project total</b>	<b>Actual Spend To Date</b>	<b>Variance</b>	<b>Notes</b>
	£			
<b>Construction Costs</b>				
Principal Contractor	47,275	-	47,275	Tendered Costs Including £2,500 Contingency
PCT Fit Out	7,788	-	7,788	Awaiting Costs to be Confirmed (Estimate)
Asbestos Surveys and Removal	1,500	-	1,500	Awaiting Costs to be Confirmed (Estimate)
<b>Construction Costs Total</b>	<b>56,563</b>	<b>-</b>	<b>56,563</b>	
<b>Client Direct Costs:</b>				
Architects Fees	3,000	3,000	0	
Ecology (Bat Survey)	435	435	0	
Building Control Fees (Plan Check)	170	170	0	
Professional Fees (Project Management)	6,000	-	6,000	
Legal Services	2,000	-	2,000	Estimate - RCC Costs (Tenant responsible for their own costs)
<b>Client Direct Costs Total:</b>	<b>11,605</b>	<b>3,605</b>	<b>8,000</b>	
<b>Additions</b>				
RCC Loose Furniture	-	-	-	- To be sourced from existing stock
Surgery Loose Furniture	-	-	-	- Surgery to transfer existing
<b>Additions Total:</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL COSTS</b>	<b>68,168</b>	<b>3,605</b>	<b>64,563</b>	
<b>Project Budget Overview</b>	<b>75</b>	<b>-</b>	<b>-</b>	



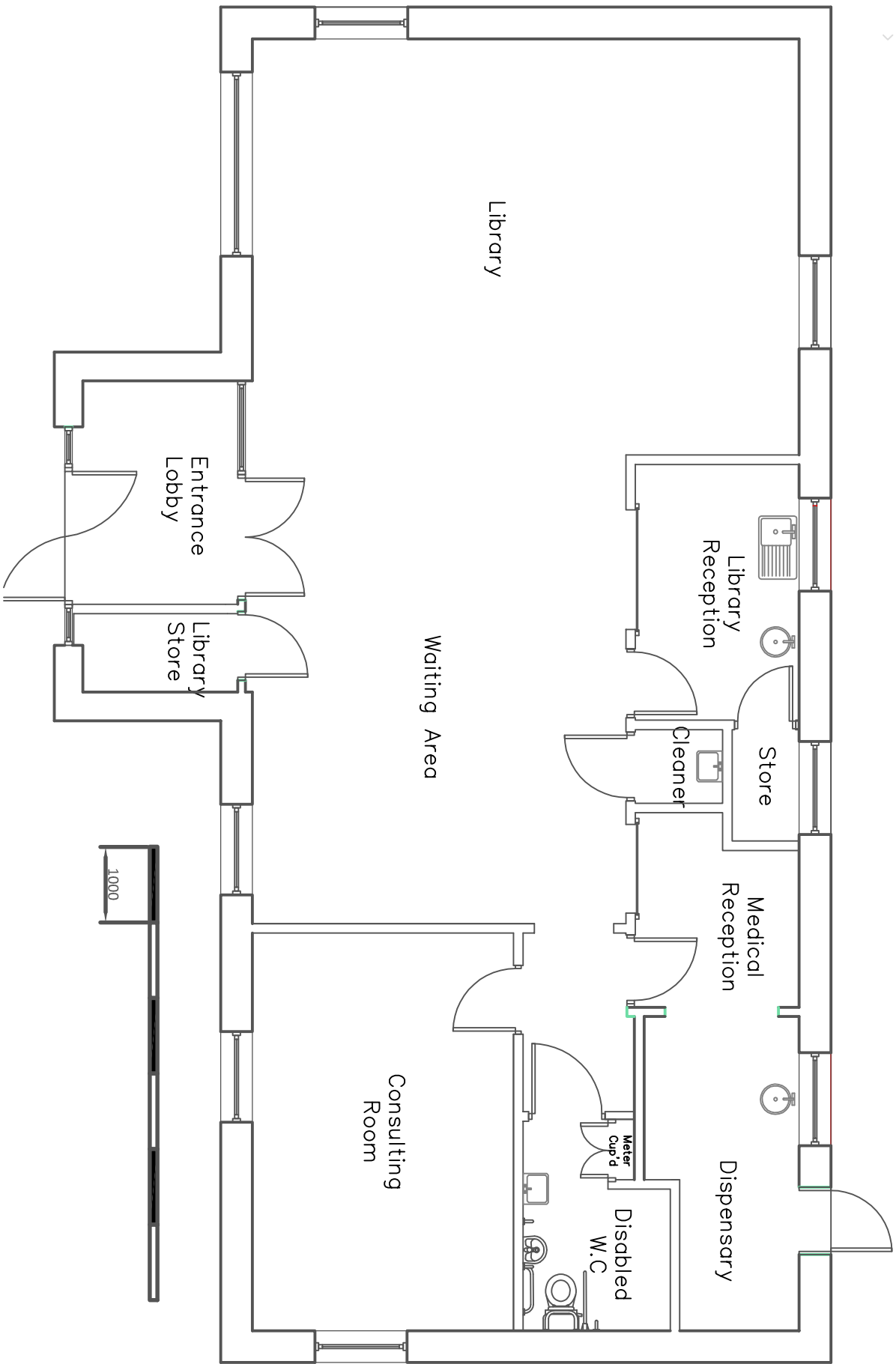
Alterations to Ketton Library, Rutland

Survey As Existing

Scale 1:50 @ A3

1468/1

Thomas Wilson Architects, 23 Mill Street, Oakham, Rutland



PROJECT: Ketton Library Alterations

TITLE OF DRAWING: Lease Plan

Date: 2 Jan 2012

DWG No: L/Plan 1

Scale: NTS

Rutland County Council  
Property Services Section  
Catmose Cottage, Oakham  
Rutland LE15 6HP

REV: Drawn By: LH

Sheet: A3