

Briefing/Information Note

Council

Date: 14th October

Responsible officer: Tracey Birkinshaw, Director Communities & Economic Development

Responsible Cabinet Member: Cllr Martin Horwood, Cabinet Member for Economic Development, Wellbeing and Culture

At a meeting of council on 18th March 2024 in response to a debate on [motions](#) council resolved to request that officers further explore with the health care commissioners and current GP provider service, possibilities for delivering new surgery premises:

- a) Via the provision of new premises for existing surgeries seeking to move and/or expand into more appropriate, accessible buildings
- b) At strategic sites, as part of the growth of Cheltenham

This briefing note provides an update across a number of relevant workstreams.

Engagement in respect of health provisions in broad terms fall under three key work areas:

1. Engagement with the NHS Gloucestershire Integrated Care Board (ICB)¹ and other statutory and key providers/stakeholders
2. Through negotiation on planning schemes, including the preparation of the Cheltenham, Gloucester and Tewkesbury Strategic and Local Plan
3. Through our role on the One Public Estates Board

Each of these work areas and outcomes of engagement are summarised below.

Engagement with statutory/key providers/stakeholders

Gloucestershire ICB approved on 5th July 2024 a [GP Premises Development & Delivery Plan](#) for the period April 2024 to March 2031. This will be a key document going forward in respect of responding to GP provision in Cheltenham. The premises and delivery plan identifies the following as strategic priorities for the Cheltenham area - subject to business cases and available funding.

- Development of a new Central Cheltenham primary care facility to co-locate the Overton Park & Yorkleigh surgeries for around 24,000 patients (estimated £9.5m)
- West Cheltenham new housing development – Subject to suitable Section 106 development contributions, a new surgery building for around 5,500 patients, alongside to community health services (estimated £3.6M)
- North West Cheltenham (Elms Park) Subject to suitable Section 106 development contributions, a new facility for around 9,500 patients, to include GP services, community health services, dental provision and possibly a pharmacy (estimated £6.6m)
- Reconfiguration and/ or extension of Sixways surgery.

¹ Background to the ICB can be viewed [here](#)

As debated by Council in respect of the motion, Cheltenham is keen to respond positively to looking at ways of relieving the pressure on GPs both in respect of how it may influence existing pressures and barriers to realising capacity and the further provision of new surgeries. Whilst appreciating the GP Premises Development and Delivery Plan was only signed off this summer, we are continuing the conversation with the ICB on understanding the evidence, whether the amalgamation of surgeries will facilitate more capacity and what this looks like and investigate the opportunities for new provision.

Proactive work has been ongoing in respect of GP provision in respect of northwest and west Cheltenham strategic allocations, and this is detailed further below. In respect of the central Cheltenham primary care facility the following are needed:

- Willing practices
- Willing developer – the NHS doesn't typically fund capital costs – the practice will usually borrow. The NHS will pay rent, which is set by the District Valuer, and whilst the ICB may provide a "top-up", this is reduced over time, having an impact on the investment yield due to the lack of rental growth in the short to medium term.
- Willing funders
- A suitable site

The key challenge for the Gloucestershire ICB in securing services, is that it does not own property. It is responsible for the commissioning of primary care services from general medical services practices, this includes considering premises development requests from practices. The physical delivery is generally led by GP practices themselves or through 3rd party developers.

A range of factors are challenges for the delivery of new sites making GP led development difficult and increased costs of capital making 3rd party led development less viable. Overall, this makes for an extremely challenging environment to meet Value for Money requirements. These include;

- Costs of borrowing
- Costs of construction (c.£3500m² (£325ft²) plus fees, land value, etc)
- Falling yields for GP surgeries
- Valuation of rental allowances for GP premises by the District Valuer (not high enough to meet costs)

Cheltenham Borough Council, through its role as local planning authority enters direct negotiation in respect of relevant development sites and through its property functions can look at its own assets, again more detail on this is summarised below and play a role as enabler in helping to bring relevant parties together.

In addition, through its partnership activities, the Council retains a close working relationship with Gloucestershire ICB and the Cheltenham Integrated Locality Partnership which has a collective aim to work together improve health and wellbeing in Cheltenham.

Through these relationships, the council can play a supportive role to support the ICB deliver its [GP Premises Development & Delivery Plan](#).

Planning

There are 3 active workstreams being supported by the planning team.

1. ***Scheme negotiation via S106, the key sites are North West Cheltenham (Elms Park) and West Cheltenham.***

North West Cheltenham: – Discussions are currently ongoing between the applicant, the local planning authorities, and NHS ICB, regarding potential contributions to health care facilities. However, at the present time, the Board have requested a planning obligation of £6,630,000 to fund the construction of new health facilities required to serve the population of the new housing within the development. The expectation is that this funding would deliver an on-site General Medical Services Centre which would contain a GP surgery with

additional space available for community services such as District Nurses, Dentists, and Physiotherapists.

West Cheltenham: At West Cheltenham, following engagement with the NHS ICB, it is proposed to provide 451.5 sqm of space to be fitted out by the ICB as a health hub for the wider allocation, which will form part of the proposed Local Centre within the St Modwens element of the West Cheltenham strategic allocation (22/01817/OUT). This comprises circa:

- 391sqm for core General Medical Services (GMS);
- 44.5sqm for core community physical and mental health services; and
- 16sqm for changing places facility.
- Proportionate contributions from all West Cheltenham developers.

2. *Consideration of funding via strategic Community Infrastructure Levy (CIL)*

At the end of last year/early this year the SLP councils approved the establishment of [CIL Joint Committee](#). The CIL Joint Committee will determine spending priorities for strategic scale infrastructure across the Cheltenham, Gloucester and Tewkesbury Council areas. The report included a schedule of district and county council infrastructure priorities, as well as a commitment to update the [Infrastructure List](#). In agreeing this updated list at Council in December 2023, the inclusion of additional NHS GP surgeries under pipeline projects was identified. Further engagement is being undertaken across all statutory infrastructure providers to more clearly identify both priorities and costs and as this detail and evidence emerges this will inform future decision making via the CIL Joint Committee.

Tewkesbury Borough Council is the host authority for the CIL Joint Committee and work is ongoing to agree the date of the first meeting, expected Autumn 2024. The first allocations of strategic CIL monies will be made by the Joint Committee at the next meeting, shortly after.

3. *Preparation of the Cheltenham, Gloucester and Tewkesbury Strategic and Local Plan (SLP)*

Direct engagement is ongoing across with Gloucestershire ICB in respect of the development of policies and priorities to progress through the preparation of the SLP. There is a clear commitment from health partners to work collaboratively as the SLP progresses to ensure good health and wellbeing outcomes. An engagement plan is currently being worked on that will bring together and work with key stakeholders as we develop the SLP.

- Stakeholder workshops have taken place across health partners including both local and acute care considering health and wellbeing across our communities both in terms of built facilities and the wider determinants of health and how the planning system can drive for change and enhancements.
- £120,000 has been allocated by the ICB over 2 years to support development of health and wellbeing policies through the preparation of development plans. The SLP is the host of this funding and working across the local planning authorities of the county to develop the evidence base that will inform plan making across the council and embedding health and well being priority outcomes.
- Officers and health partners are working together to update the Infrastructure Delivery Plan supporting the JCS and district plans (including the Cheltenham Plan) to ensure it remains robust and up-to-date and will continue to do so as the SLP progresses. This is also relevant to the CIL Joint Committee – see Item 2 above. Assessment of new GP surgeries forms part of this work.

One Public Estate/Cheltenham Borough Council Assets

One Public Estate (OPE) is a programme of locally-led partnerships of public sector bodies, collaborating around their public service delivery strategies and estate needs. Gloucestershire has

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an OPE board which considers assets for the potential of repurposing across activities such as housing, regeneration, and other locally determined uses. Health is one of these local issues and the Gloucestershire OPE group includes representatives from the ICB, NHS and County Council (who have statutory social care responsibilities).

The requirement for a town centre relocation site for Overton Park & Yorkleigh surgeries has now been put on the agenda to raise the profile of this requirement and encourage the various parties to work together to deliver a solution.

To this end, one option that has been previously explored is Chelt Walk Car Park. However, until recently, the surgeries have been looking for a GP led scheme, whereby they acquire the land, develop it and own the completed scheme. Bearing in mind Chelt Walk only extends to c.1.5 acres and there are other pressures, such as providing replacement car parking in a decked format, this route was not appropriate.

It is understood that the practices will now look at a traditional landlord and tenant scheme as part of a more comprehensive development. The Finance & Assets team are trying to explore this now through OPE and in the meantime, have made representations to the S&LP HELAA process to review the current allocation for Chelt Walk (for employment use).

Meanwhile, through OPE, the group can start to explore alternative site options, including repurposing of existing vacant space within the town centre (Cavendish House?).

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