

# Case Study

Refurbishing and right sizing a health centre, delivering a modern community hub and saving the NHS £9.6 million in running costs

## GUISBOROUGH PRIMARY CARE HOSPITAL, GUISBOROUGH

### Background

#### Site:

NHSPS holds the freehold interest in this small community hospital covering 6,200 sqm. The older part of the site was built in 1839 as a workhouse and is a Listed Building, and the newer Ward building (now vacant and the proposed redevelopment site) was constructed circa 1970.

#### Customers/Stakeholders:

- South Tees Clinical Commissioning Group (CCG)
- South Tees Hospitals NHS Foundation Trust
- North Tees and Hartlepool NHS Foundation Trust

#### NHSPS representatives:

- Helen Stubbs, Senior Transaction Manager
- Peter Todd, Principal Construction Manager
- Glen Fong, Senior Property Analyst Manager

### The Challenge

South Tees CCG worked with the local Foundation Trusts, GPs and local authority partners in the area to consider the challenges faced in meeting the needs of a growing and ageing population. The CCG have recognised the need to improve the way they care for their elderly population and intend to invest more in community-based services.

To deliver on these ambitions they needed an estate strategy to rationalise the property portfolio, increase utilisation across the community clinical estate and achieve property cost savings to enable an increased investment in clinical services.

The Guisborough Primary Care Hospital has been identified as a key site in this strategy, with much of the site standing vacant meaning there's potential for significant savings in running costs as well as releasing land for housing. However, it also requires significant investment to bring it back to a satisfactory condition, with the most recent backlog maintenance estimate at £1.5 million.

### The Solution

To support South Tees CCG in delivering their strategy, NHSPS are proposing to refurbish and right size the Guisborough estate, requiring a capital budget of £4.957 million. Alternative options including demolition and new build (on same site) and acquisition and new build on another site were considered but ruled out due to financial constraints.

The older part of the site will be released for disposal, reducing the space required on the site by over 80%. The newer building will be stripped back to its shell, and completely refurbished and upgraded to deliver a modern and fit for purpose community health centre. Part of the site has already been released and sold (2017) with the receipt being returned to DHSC.

The funding is via the Department of Health and Social Care, and the CCG will enter into a 25-year commitment to ensure that the funding can be recovered by way of a capitalised rental over that period.

### The Result

Once complete, this improved site will deliver a modern and fit for purpose community health centre that brings health and social care closer to the community - better serving an ageing population with complex health and care requirements.

It will also:

- Reduce the size of the estate from 6,200 sqm to 1,100 sqm
- Eliminate the current backlog of maintenance issues
- Reduce operational costs of the building by £9.6 million over 25 years
- Enable the disposal of surplus land, generating a capital receipt of £400,000 for the NHS and freeing up space for housing in the community (estimated thirty units accommodated)