



Trust Board Briefing Paper

From: Paddy Graffin, Head of Estates

To: Trust Board

Date: 22nd October 2020

Subject: To Provide alternative Suitable Accommodation for NHSCT Community Equipment Services (currently based at Pennybridge, Ballymena) and increased capacity to deal with emergent demands for space (i.e. PPE management)

Action Required: To consider the best options available to NHSCT, to ensure the continued provision of the Community Equipment Service within adequate space and provide additional space for current and future demands.

Purpose

Due to the poor condition of Pennybridge stores coupled with space pressures and demands, options have been considered to determine the best solution. The aim and purpose is to ensure this vital CES service can continue to provide the community across NHSCT, with clean and sterile equipment and also to enable the trust to provide additional space now emergent for current demands (i.e. PPE in response to Covid). To do so, replacement accommodation which is fit for purpose in the short term and long term with expanded floor area is required.

Rationale

In 2019, NHSCT carried out condition surveys across all NHSCT sites. These were carried out by an independent company as per DoH Asset Management Branch best practice. The survey highlighted that the cost to restore Pennybridge Stores to an acceptable standard was £1,866,450 rising to £2,007,786 (if backlog maintenance continues to be unresolved). There is also a significant asbestos liability with this building. In addition, there is no space around the Pennybridge Stores building to permit an extension to be considered as an option for this expanding service.

Since then the demands on accommodation has significantly increased and particularly currently around the trust storage, management and distribution of PPE in response to Covid.

Benefits

Investment into alternate premises for Community Equipment Services will:-

- Ensure this facility, including decontamination, sterilisation and cleaning of equipment, can continue to provide a service to a population of almost 471,000 people across the geographical area of NHSCT;
- Upgrade accommodation for NHSCT Community Equipment Services, which is reported as a good standard and is not at risk of being closed due to the poor condition.
- Allow suitable accommodation for NHSCT Community Services which meets the needs of the service/Trust i.e. provides adequate car parking; staff accommodation and equipment storage.
- Meets the immediate need of the service and provides capacity for expansion for future forecasted needs. (the current property is currently working at full capacity).
- Meets the current demands for increased space.

Options

A number of options have been developed.

Option 1: Status Quo has been retained as a base case for the purpose of the financial assessment. There is no revenue costs associated with this option. This has been included only to provide a base case against which to assess the other short listed options.

Option 2:- To invest £2 million in backlog maintenance. This option will also require the lease of an additional property during decant works.

Option 3 – To dispose of Pennybridge Stores and enter into a long term lease. This option has not been shortlisted as considered counter strategic in good estate management; to move from ownership to tenant incurring ongoing revenue costs with no ownership. Disposal valuation of Pennybridge stores has been estimated at £700k by Land and Property Services.

Option 4 – To relocate on a short term lease with option to purchase and ultimately dispose of Pennybridge stores. A property meeting the criteria for Community Equipment Services is available at the former Composite Building, Galgorm Ind. Est., 74 Fenaghy Rd, Galgorm Ballymena, County Antrim, BT42 1PY. At a cost of £1.4 million, this is £0.4 million less than the estimated backlog maintenance cost required in Pennybridge Stores in 2019/20. This premise is suitable to accommodate the 15 staff and 3010 m2 store area plus 184.2 m2 office accommodation required for community equipment within the Ballymena area. It also has additional space to deal with current extra demands and those expected

into the future. Disposal valuation of Pennybridge stores has been estimated at £700k by Land and Property Services.

Option 5 – To dispose of Pennybridge stores and purchase an alternative suitable property. A property meeting the criteria for Community Equipment Services has come onto the open market for purchase the former Composite Building, Galgorm Ind. Est., 74 Fenaghy Rd, Galgorm Ballymena, County Antrim, BT42 1PY. At a cost of £1.4 million, this is £0.4 million less than the estimated backlog maintenance cost required in Pennybridge Stores in 2019/20. This premise is suitable to accommodate the 15 staff and 3010 m2 store area plus 184.2 m2 office accommodation required for community equipment within the Ballymena area. It also has additional space to deal with current extra demands and those expected into the future. Disposal valuation of Pennybridge stores has been estimated at £700k by Land and Property Services.

The preferred option is Option 5 i.e. the purchase of the former Composite Building, Galgorm Ind. Est., 74 Fenaghy Rd, Galgorm Ballymena, County Antrim, BT42 1PY.

Cost £1.4 million

Timescale Purchase to be completed by 30th November 2020. Service to relocate by 31st March 2021. Pennybridge stores to be disposed of during 2021/22.

Risks

Option 5 is dependent on:-

- The offer of £1.4 million being fully committed to legally by the seller.
- On capital funding being made available in 2020/21.
- Full pre-purchase inspections determining that there are no issues which would deem the property unsuitable for NHSCT to continue the purchase e.g. currently undetected structural issues.

Action Required

Agreement to purchase the preferred option for NHSCT and Community Equipment Services and proceed with the purchase of the former Composite Building, Galgorm Ind. Est., 74 Fenaghy Rd, Galgorm Ballymena, County Antrim, BT42 1PY