

**LONDON AMBULANCE
SERVICE NHS TRUST**

**REPROVISION OF
BUCKHURST HILL
AMBULANCE STATION**

**OUTLINE BUSINESS
CASE**

JANUARY 2006

1. EXECUTIVE SUMMARY

1.1 Strategic Case

The current Buckhurst Hill station is part of the Whipps Cross complex within the North East sector. Geographically, it is located outside the Greater London boundary in the borough of Epping Forest, Essex and serves the areas of Buckhurst Hill, Woodford Green, South Woodford and Chingford.

The station's location means that it has difficulty in meeting the required performance targets for Category A calls of 75% within 8 minutes. It is envisaged that a 6.3% improvement in response times could be achieved across the sector by relocating the station closer to its area of greatest demand in the Woodford Green/South Woodford area.

The station is also under utilised with only 2 emergency vehicles now based there. The site covers an area of 2885sqm and provides internal garage and accommodation of 950sqm. There are 11 Patient Transport Vehicles located at Buckhurst Hill.

The station is located in a mainly residential area. An application for planning permission to build 16 flats on the site of the existing station was recently allowed following a successful appeal against refusal of planning permission by Epping Forest District Council.

The site has been valued at £2,420,000 with the benefit of the planning permission for residential development. The realisation of the sale proceeds will be an important component of the Trust's Capital Programme for reinvestment in other parts of the estate.

1.2 Economic Case

The requirement for the new ambulance station site is approximately 400m². The space requirement for separate Patient Transport Service accommodation is 700 m². If a combined accommodation is provided then a site of approximately 1100m² would be required.

The short listed options considered were:

1. Do nothing – remain at Buckhurst Hill
2. Combined Station: Purchase land and build
3. Combined Station: Purchase building and refurbish
4. Two separate stations for A&E and PTS vehicles: Purchase land and build
5. Two separate stations for A&E and PTS vehicles: Purchase building and refurbish

The table below summarises the results of the economic appraisal using a 3.5% discount rate:

	Option 1 Do nothing	Option 2 Acquire 1 site and build new	Option 3 Purchase 1 building & refurb	Option 4 Acquire 2 sites and build new	Option 5 Purchase 2 buildings & refurb
EAC	61.2	49.4	52.8	37.2	44.1
Weighted benefit score (WBS)	100	870	830	948	908
EAC per WBS	0.61	0.06	0.06	0.04	0.05
Risk adjustment	0.8	3.8	3.7	3.4	3.5
Risk adjusted EAC	62.0	53.2	56.5	40.6	47.6
Risk adj EAC per WBS	0.62	0.06	0.07	0.04	0.05
Ranking	5	3	4	1	2

The analysis shows that the preferred option is Option 4: Acquire two plots of land and build two new stations, one for A&E and one for PTS.

The preferred option was tested against the PFI or leasing option as shown below. This demonstrated that the new build option ranks marginally higher than the leasing option and remains the preferred funding route.

	Option 4 Acquire 2 sites	Leasing
EAC	37.2	44.7
Weighted benefit score (WBS)	948	948
EAC per WBS	0.05	0.05
Risk adjustment	3.4	2.6
Risk adjusted EAC	40.6	47.3
Risk adj EAC per WBS	0.04	0.05
Ranking	1	2

1.3 Financial Case

The capital cost of the preferred option is £1.91 million inc VAT. This will be funded by the sale proceeds of the current Buckhurst Hill site, estimated at £2.42 million.

The annual revenue costs of the preferred option are £150k, an increase of £87k compared with the existing costs.

Options to provide a base for A&E vehicles only have a capital cost in the range £194k to £697k, depending on whether the building is leased, purchased or new build and will result in a revenue saving of between £11k and £17k per annum.

1.4 Commercial Case

Following the approval of the Outline Business Case the Trust will appoint advisers to identify and negotiate the purchase of suitable sites. The viability of sites will need to be assessed in terms of securing planning permission.

Following approval of the Full Business Case, full design team services will be tendered according to the Trust's standard tendering procedures for the detailed design of the new facility.

1.5 Management Case

The project will be managed by the LAS Estates Department and Project Support Office supported by specialist advisors as required.

The likely timescale for the development is at present unknown and will depend upon the time taken to identify and purchase suitable sites with the benefit of planning permission.

A major risk to the success of the project will be the ability to acquire alternative sites in the preferred location.