

Chigwell Parish Council Strategic Cost and Asset Review: Office Accommodation and Proposed Reuse for Community Health Provision

Purpose of Report:

To present a strategic assessment of the current Parish Council office building from Finance and Governance to Full Council and recommend options for its future use, including the potential disposal on long-term peppercorn lease of the property to support the establishment of a GP surgery. This report outlines financial implications, risks and strategic opportunities which have been considered by F&G who now seek Full Council consideration.

1. Executive Summary

The Parish Council owns a standalone office building comprising approximately 1,315 sq ft of office and storage space. It currently houses three members of staff and is next to Victory Hall and the Hub and approximately half a mile from the cemetery offices, all of which are Council-owned and require refurbishment to support their continued and/or expanded use.

The current office building is costly to maintain (circa £23,000 annually) and is energy inefficient and underutilised. Moreover, the building requires repair and potential structural refurbishment. Works to reconfigure for additional Parish office space could be integrated into the broader, already planned refurbishment of Victory Hall, the Hub and the cemetery offices.

There is a strategic opportunity to repurpose the office building to meet a significant local need. With a parish population of over 14,000 and no GP surgery currently in operation, the building could be converted into a surgery. Preliminary discussions with the local Primary Care Network (PCN) have indicated interest in occupying the building under a long-term peppercorn lease, which would be conditional on the occupier converting into a fully operational GP surgery.

2. Financial Overview

Lease Terms:

Potential offer of a peppercorn lease (nominal £1 per annum) in exchange for full community health use and full repairing obligations.

Current Costs:

- Business Rates: £10,600
- Utilities (Heating/Lighting/Water): £5,000
- Property Maintenance: £7,000
- Building Insurance: £1,000

Total Annual Operating Cost: £23,000

Capital Considerations:

- Estimated Market Sale Value: £400,000 (subject to formal valuation)

- Estimated Market Lease Value: £24,000 per annum (subject to formal valuation)
- Refurbishment Costs (Victory Hall/Hub reconfiguration): To be estimated as part of ongoing improvement works
- Ongoing Annual Savings if Vacated: **£23,000**

Missed Opportunity Cost:

- Continued expenditure on an inefficient and underused asset
- Missed opportunity to enable local healthcare provision and enhance public trust

3. Strategic and Community Benefits

- **Improved Health Access:** addresses a critical gap in local GP services for a growing population
- **Funding:** improved access to available and future grants and funding for local NHS services
- **Efficient Use of Assets:** rationalising and consolidating staff space within Victory Hall and the cemetery office aligns with good estate management principles
- **Sustainability:** Ending use of an energy-inefficient building contributes to the Council's environmental commitments
- **Community Cohesion:** A GP surgery near Victory Hall may boost use of local facilities and strengthen neighbourhood integration

4. Advantages of Proceeding

- **Public Benefit:** enables establishment of a much-needed GP facility serving 14,000+ residents
- **Reputational Gain:** positions the Parish Council as a proactive community leader and enabler of essential GP service
- **Cost Savings:** Reduction of £23,000 in annual expenditure
- **Public Trust:** Demonstrates strategic long-term stewardship of community assets
- **NHS Collaboration:** supports local NHS services without requiring significant NHS capital investment
- **Environmental Benefit:** Eliminates council use of a high-emission inefficient building

5. Options for Council Consideration

Option 1: Retain Current Office Building

- **Pros:** No relocation required

- **Cons:** High and rising operational and refurbishment costs; poor asset utilisation; does not address urgent local healthcare need

Option 2: Sell the Building for GP Use

- **Pros:** Generates a capital receipt; removes ongoing liabilities
- **Cons:** Loss of long-term public control; requires careful planning and NHS funding alignment; permanent disposal of community asset with potential loss of control over future development

Option 3: Offer a Long-Term Full Repairing Peppercorn Lease for GP Use (Recommended Option)

- **Pros:** Retains public ownership; delivers strong reputational and community benefit; enables GP provision at low cost to NHS; relieves the Council of operational and maintenance obligations
- **Cons:** No income generation; lease must include safeguards for continued health use and reversion rights

6. Risks and Mitigations

Risk	Likelihood	Impact	Mitigation
Loss of Council-controlled office space	Medium	Low	Suitable alternative accommodation identified
Inability to secure agreement with PCN	Medium	Medium	Engage with PCN and Integrated Care Board early
Capital investment required to relocate staff	High	Medium	Offset by annual operational savings
Change of use/planning constraints	Medium	Medium	Early planning consultation recommended
PCN fails to deliver on surgery conversion	Low	High	Include reversion clause in lease terms to ensure control reverts to Council if not used as intended

7. Recommendations

The Finance and Governance committee recommend that Full Council:

1. Authorise officers to begin formal negotiations with the local Primary Care Network, the ICB and other stakeholders regarding a peppercorn lease for the existing office building, strictly conditional on its use as a GP surgery.
2. Approve in principle the concept of relocation of staff from the current office building to alternative premises (subject to feasibility and refurbishment assessment).

3. Commission an independent valuation of the building and a costed plan for staff relocation and refurbishment of alternative premises in conjunction with any existing works if possible
4. Ask officers to research funding opportunities in consultation with stakeholders, local and central government, grant availability
5. Receive from officers a business case and strategy including planning feedback, financial implications, community consultation and legal safeguards in any proposed lease terms