

Report To: Cabinet

Date of Meeting: 29th March 2016

Lead Member / Officer: Cllr J Thompson Hill
Lead Member for Finance, Assets & Housing

Jamie Groves
Head of Finance Assets and Housing

Report Author: C D Mathews, Commercial Development Manager
Finance Assets and Housing.

Title: **Proposed grant of Lease to BCUHB for Ty Nant, Nant Hall Road, Prestatyn**

1. What is the report about?

The proposed grant of a Lease on terms to be agreed for the area edged red on the attached plan extending 0.056ha / 0.15 acres and comprising the building known as Ty Nant to the Betsi Cadwaladr University Health Board (BCUHB).

2. What is the reason for making this report?

A decision is required on the proposed grant of a Lease on terms to be agreed for the area edged red on the attached plan extending 0.056ha / 0.15 acres and comprising the building known as Ty Nant to the Betsi Cadwaladr University Health Board (BCUHB).

3. What are the Recommendations?

To grant a Lease on terms reflecting an open market letting of the property as recommended by the Councils Commercial Development Manager and the Councils external agents.

4. Report details

- 4.1 Ty Nant was operationally vacated by the Council in August 2014. Since then the property has been kept on a 'warm property' basis to enable it to be let/sold in a good condition or as part of a wider regeneration scheme.
- 4.2 The Council appointed external commercial agents who have reported little in the way of substantive interest in the property since the building was first made available to let in 2014.
- 4.3 As a result of changes in the current accommodation providing primary care in Prestatyn caused as a result in two of the primary care practices terminating their contracts with BCUHB, the Board has had an emergency requirement for an

integrated Primary Care Centre in the town. The requirement from BCUHB was for an accessible well located building, deliverable within a constrained timeline and suitable for modern health care services.

- 4.4 BCUHB gave approval for a business plan to take the property on Lease on 21st January 2016. The Council is using its external agents to negotiate heads of terms on a commercial basis at a market rent. These negotiations are ongoing at the time of drafting and it is hoped that these will be concluded before the matter is considered formally at the March Cabinet.
- 4.5 The attached plan shows the car park and access edged in blue with the retained ancillary land shown coloured purple which permits access to the building for various community activities.
- 4.6 The Council has appointed external consultants to assess the underlying level of demand for the original regeneration scheme and the draft report have supported the external letting agent's recommendation. Both consultants have stated that the internal configuration of the building is suited to a public sector occupier and this is reflected in the interest shown in the building.

5. How does the decision contribute to the Corporate Priorities?

- 5.1 The disposal of Council assets by Lease reduces liabilities and generates a revenue income and creates an investment asset that can be used to support other areas of service delivery.
- 5.2 The provision of an integrated Primary Care Centre will enable broad based primary care for Prestatyn to be delivered from one central building within the Town Centre. This will replace services that are currently delivered from four locations in the town. This will improve service delivery for the resident town population and the wider community.

6. What will it cost and how will it affect other services?

Staffing / Financial Resources

No additional staffing resources are needed. Other than meeting the Councils professional costs then it is not anticipated that additional financial resources are required.

Legal / Property

The Lease will need resources to complete but post completion the property will only require periodic inspections for Lease compliance and the undertaking of rent reviews.

Biodiversity

N/A

ICT

N/A

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.

- 7.1 The property was completed in 1998 and was compliant for the Disabled Discrimination Act 1995. The Council has undertaken incremental improvements for the property subsequently and was deemed compliant for service delivery when it eventually closed in 2014.
- 7.2 BCUHB have inspected the building and have not raised any physical issues in relation to the property not being Equality Act compliant.
- 7.3 BCUHB will require a drop off and collection point on the northern frontage of the site and this is being assessed by Highways and is ongoing.

8. What consultations have been carried out with Scrutiny and others?

- 8.1 Lead Member approval was granted at AMG on 10th March 2016. Support from both the ward members for the proposal was forthcoming at earlier MAG meetings.
- 8.2 The proposal was presented to the Prestatyn Member Area Group on 27th January 2016 and supported the grant of the Lease to the LHB.
- 8.3 The property is a Corporate Asset and the grant of a lease is supported by the County Landlord.

9. Chief Finance Officer Statement

- 9.1 The disposal of Council assets by Lease reduces the Councils revenue liabilities and generates a revenue income. In this instance the savings contribute to the budget efficiencies already put forward as part of the Freedom and Flexibilities exercise.

10. What risks are there and is there anything we can do to reduce them?

- 10.1 Time constraints – BCUHB have agreed extensions to use their current properties post the end of March 2016. We understand this extension has been agreed until the end of September 2016 thereafter primary care delivery in the town could be compromised.
- 10.2 We understand funding has been allocated by BCUHB for this project.
- 10.3 DCC actions to reduce delays:
 - 10.3.1 Planning Change of Use – the property will require a change of use from Use Class B1 Offices to D1 Non-residential institution. The application can be prioritised to ensure consent is granted (assuming the recommendation is to permit the change of use).
 - 10.3.2 Lease completion delays – Property/Legal Services prioritise the case as highly important.

10.3.3 BCUHB fail to agree Lease terms by acting unreasonably or requesting terms that cannot be recommended to the Council. Limited actions the Council can take in this scenario.

11. Power to make the Decision

S123 of the Local Government Act 1972 gives the power to dispose of land (leases of land of greater than seven years are deemed a disposal under the Act).