

North Lanarkshire Council Report

Finance and Resources Committee

approval noting

Ref CPS/WP

Date 28/05/20

Cliffvale Road, Chryston – proposed lease to NHS

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Executive Summary

The purpose of this report is to seek council consent to enter into a development agreement with the NHS to facilitate the development of a new clinic in conjunction with the replacement Chryston Primary School project.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Approve a joint development with the NHS on land off Cliffvale Road, Chryston. The development will be led by the council and, would aim to create a new Primary School and an NHS clinic.
- (2) Approve the grant of an initial 25 year lease of the clinic facility to the NHS at £1 per annum. This is on the premise that the NHS will fund the capital cost of the clinic through payments to the council.
- (3) Approve the grant of an option to the NHS which would allow the initial lease to be extended for a further term of 25 years after the initial 25 year lease term on similar terms other than rent, which would require to be agreed between the parties. Any lease extension would incorporate landlord & tenant break options every 5 years throughout the 25 year term.
- (4) All other lease terms and conditions to be adjusted by the Head of Asset & Procurement Solutions.

The Plan for North Lanarkshire

Priority Improve the health and wellbeing of our communities

Ambition statement (22) Facilitate a North Lanarkshire wide approach to asset rationalisation, including with communities and partners

1. Background

- 1.1 The NHS wish to replace an existing clinic located within Chryston.
 - 1.2 The council is advancing plans to replace Chryston Primary School with a new facility on an existing council site located off Cliffvale Road, Chryston. It is proposed that the new NHS clinic will be incorporated into the Primary School development.
 - 1.3 A location plan showing the proposed site for this project is found in Appendix 1.
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2. Report

- 2.1 Following discussions with the NHS it is proposed that a clinic facility of 600 square metres or thereby be incorporated into the design for the replacement Chryston Primary School.
 - 2.2 Based on previous collaborative projects between the NHS and the council, the intention is that the NHS will fund the capital cost of the clinic in return for a leasing arrangement of the facility for an initial term of 25 years, with an option to renew for a further 25 year term.
 - 2.3 The capital cost of the clinic will be treated as a grassum payment under the lease, payable by the NHS and, in return the lease rent for the initial lease term will be fixed at a peppercorn sum of £1 per annum. The NHS will be responsible for service charges based on an equitable division of costs. At this time the actual percentage share cannot be fixed as the design development has yet to be finalised. Based on target floor areas the indicative apportionment would approximate at 86% to NLC and 14% to NHS.
 - 2.4 At the end of the initial 25 year term, the NHS would have an option to renew for a further 25 years on similar terms other than rent, which would require to be negotiated between the parties. There would also be landlord and tenant break options at 5 yearly intervals throughout the lease term.
 - 2.5 The proposal is conditional upon a variety of issues that are being worked up, including but not limited to planning approval for the development and final project costs.
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3. Equality and Diversity

3.1 Fairer Scotland

There is no requirement to carry out an assessment in this regard.

3.2 Equality Impact Assessment

There is no requirement to carry out an assessment in this regard

4. Implications

4.1 Financial Impact

The proposed development will be jointly funded by NLC & NHS, each party contributing their share of the capital cost of the project.

4.2 HR/Policy/Legislative Impact

Further analysis of legislative impact would be required should it be decided not to progress any project where statutory education consultation was approved.

4.3 Environmental Impact

If required, the environmental impact of proposed NLC/NHS joint development will be considered as part of the planning process.

4.4 Risk Impact

Management of risk is ongoing through the project management process.

5. Measures of success

5.1 The proposed joint development is in line with the Plan for North Lanarkshire, to support collaborative working between public sector partners.

6. Supporting documents

Appendix 1 Location Plan



James McKinstry
Head of Asset & Procurement Solutions

Appendix 1: Location Plan

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LOCATION PLAN - For Information Only

Title: Land at Lanrigg Road

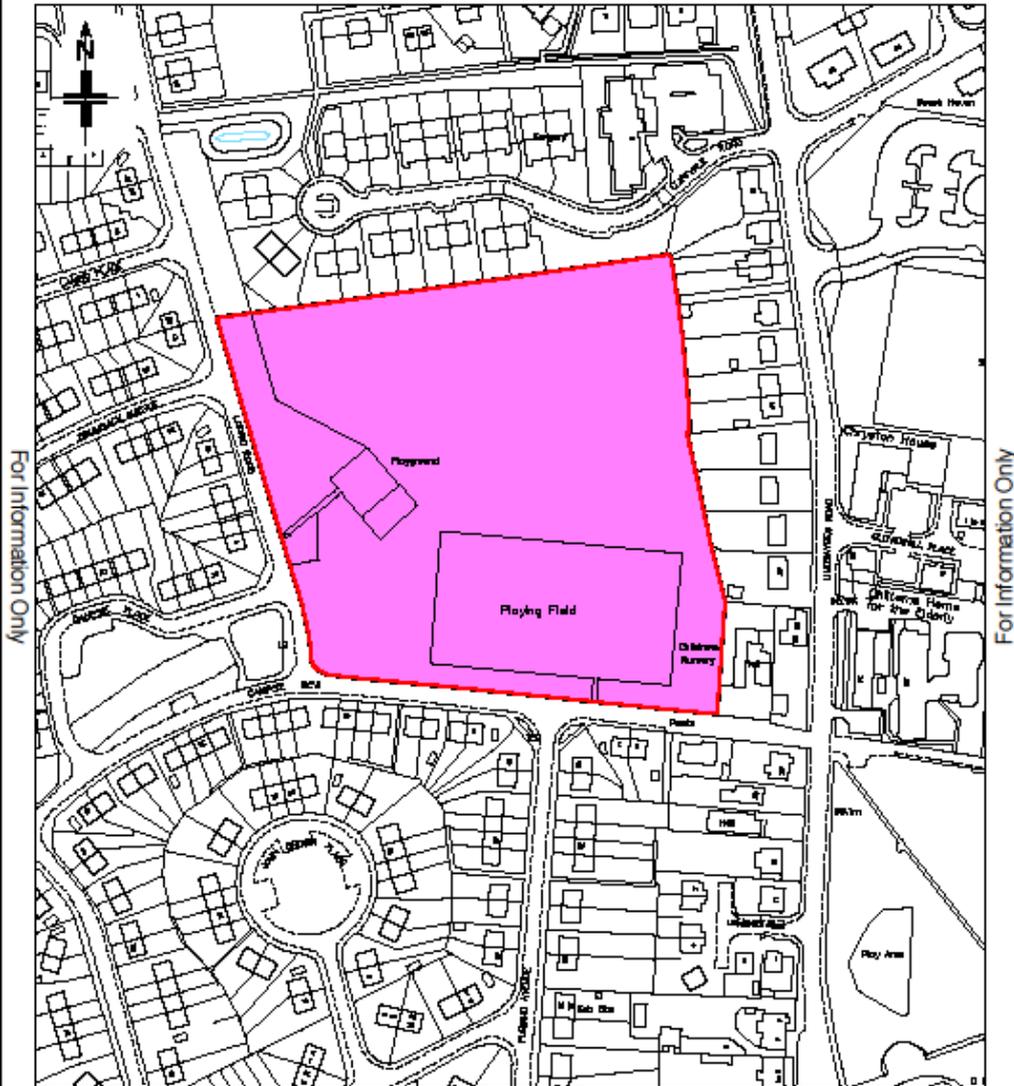
Scale 1:NTS



Town: Chryston

Date: 29/01/20

ENTERPRISE & COMMUNITIES



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