

**CYFARFOD BWRDD PRIFYSGOL IECHYD
UNIVERSITY HEALTH BOARD MEETING**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	26 September 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Property Lease Arrangements
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lee Davies, Executive Director of Strategy and Planning
SWYDDOG ADRODD: REPORTING OFFICER:	Lee Davies, Executive Director of Strategy and Planning

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The Hywel Dda University Health Board has developed a Property Asset Strategic Plan (the Strategic Plan) to provide an overview of the Health Board's baseline estate portfolio and a summary of the proposed and planned strategic estate developments and linked disposals. This Plan was endorsed by the Board on 25 May 2023, and remains a working document.

This report updates the Board on the property lease and contract variations arrangements being arranged within the current financial year.

The Board is requested to review and provide approval to these arrangements as set out within the report.

Cefndir / Background

A report providing an update on the status of the property arrangements was tabled, and the recommendations contained within approved, by the Executive Team on 28 August 2024.

In line with Health Board Standing Orders (SO 9.0.1), any transfers of land and lease agreements must have the Health Board seal applied after the Board has determined it shall be sealed, or if a transaction to which the document relates has been approved by the Board.

SO 9.2.2 provides that the Chief Executive or nominated officers may be authorised by the Board to sign on behalf of the LHB any agreement or other document (not required to be executed as a deed) where the subject matter has been approved either by the Board or a Committee to which the Board has delegated appropriate authority.

Asesiad / Assessment

This section sets out the background, current position, and the details of each transaction to inform the decision:

Ceredigion County

- **Cylch Caron project**

The Cylch Caron project will deliver a single site GP surgery, community pharmacy, outpatient clinics, community nursing and social care facilities, as well as extra care housing in Tregaron. This scheme will provide an integrated rural model of community care and housing and provide a replacement for Tregaron Hospital and Bryntirion Residential Care Home. This is a partnership project between Ceredigion County Council (the Council) and the Health Board, along with Welsh Government (WG).

Following the withdrawal of Mid Wales Housing Association (subsequently Barcud) by mutual consent as a development partner for the scheme, all other partners remain fully committed to the delivery of an Integrated Resource Centre in Tregaron.

A working group of Health Board and Council officers have been reviewing the formal tender and associated legal documentation and are now in position to seek approval to progress with the tender process to identify a new development partner.

This approval to the revised tender and collaboration documentation will enable the Council to proceed to the next stage of the Cylch Caron project. See Cabinet approval paper dated 17 July 2024 ([\(Public Pack\)Agenda Document for Cabinet, 17/07/2024 10:00 \(ceredigion.gov.uk\)](#)) for further information.

The Council have therefore updated the draft Development Agreement taking out reference to the “Health and Social Care Capital Receipts” (relating to the sale proceeds/capital values of Bryntirion Residential Care Home and Tregaron Community Hospital) from the draft Development Agreement and signposted that Schedule 3 (Grant Funding) will need to be revisited, post award of tender, once the funding streams are updated/clarified by the parties.

Risk overview – Low risk status at this point.

Financial – No financial impact to this variation.

Decision – Approval is sought to agree and complete on the amended Collaboration Agreement variation (between the Council and Health Board only), as agreed between parties.

Carmarthenshire County

- **Glien House Lease, Carmarthen** (Human Resources and Workforce and training centre)

With the delay in the WG Building project, there is a requirement to agree a Deed of Variation on the Glien House lease, to arrange a deferral of the current lease break option date by 12 months. If approved, the break notice deferral date will move from 29 March 2025 to 29 March 2026.

Lease details:

- No change to current lease terms other than break option dates.
- Lease established 29 March 2022 for 5 years ending 29 March 2027.
- Option to break lease 29 March 2025 if notice served prior to 29 September 2024.

- If approved option to break, date will move to 29 March 2026, if notice served prior to 29 September 2025.

Risk overview – WG building project remains subject to approval and current timescales could potentially slip.

Financial – No financial impact; however, the overall costs will reduce by c. £11k per annum from 1 April 2025, following the termination of the separate overflow car park lease that is not required.

Decision – The recommendation to arrange a Deed of Variation was tabled and approved by Executive Team on 21 August 2024. Board approval is sought to approve the deferral of the break notice date, subject to agreement of the variation agreement between parties.

- **Dura Park, Bynea** (Occupied by Clinical Research (CR) and Clinical Engineering (CE) services).

With the planned relocation of the Clinical Research team to Pentre Awel, a review of the current Dura Park lease agreement has been undertaken, to align with the revised timelines for the Pentre Awel project. This new arrangement will align the Clinical Research occupation of Dura Park to the current Pentre Awel timeline and ensure continued and extended occupation of the Clinical Engineering team at the Dura Park. The landlord has agreed to relinquish the current lease and arrange two separate lease agreements to manage this change.

Current Lease details:

Current lease established on 26 May 2021 and ends on 25 May 2026. There is a break notice option to serve notice prior to 26 August 2024 to end the lease by 26 February 2025. Notice to break the lease was not served prior to 26 August 2024, but the landlord has agreed to relinquish the lease upon agreement and completion of the two new leases.

New Lease details:

The new CR lease agreement to mirror existing terms but will include a revised term that will terminate 31 December 2025. This would support the team to relocate to Pentre Awel and avoid remaining in occupation until end of the current lease, 26 May 2026.

The new lease for the Clinical Engineering occupation at Dura Park to mirror existing lease terms, other than the change in term extending the current lease by a further 2 years, from 26 May 2026 currently to 26 August 2028.

Risk overview – The Health Board has the option to remain on site under the existing lease terms until end of lease, 26 May 2026. This new lease for CR supports the team to relocate earlier and in line with the current Pentre Awel scheme delivery. If the plans change a further review of options with the service will be undertaken.

Financial impact – No financial impact. Following the planned end of the CR occupation from 1 January 2025, the lease costs would reduce by c. £24k, which will be used to offset the Pentre Awel costs.

Decision – A recommendation to arrange two new leases was tabled and approved by Executive team on 21 August 2024. Board approval is sought to arrange two leases, subject to legal contract drafting and agreement between parties.

Pembrokeshire County

- **Solva Surgery** – As part of the Board decision on St David’s Surgery in July 2024, there was an agreement to undertake some capital work at Solva Surgery to ensure the building has the necessary capacity for staff and patients. In undertaking this work, a new lease agreement needs to be entered into by the Health Board, as the property is currently occupied under a Tenancy at Will agreement with the former GP who owns the site.

Lease Terms:

NWSSP Specialist Estates Service (SES) are negotiating and agreeing the lease terms for an internal repairing 10-year lease period with a 5-year break clause in line with typical General Medical Services (GMS) lease arrangements.

Risk overview – The lease terms need to be agreed with the landlord, so there remains a risk the lease is not agreed.

Financial Impact - Rental costs agreed at £40,600 per annum (increase of £4.5k) plus occupancy costs (utilities, rates, maintenance, and cleaning) to be based on actual costs for operating the building.

Decision – This recommendation to arrange a lease agreement was tabled and approved by Executive team on 21 August 2024. Board approval is sought to arrange a lease, this subject to legal contract drafting and agreement between parties.

Argymhelliad / Recommendation

The Board is requested to:

- **NOTE** the Executive Team approval status to proceed with a Deed of Variation for the Glien House lease and new lease arrangements for Dura Park and Solva Surgery sites.
- **APPROVE** the proposed amendments to lease arrangements subject to final agreement to the contract terms:
 - Cylch Caron project - Approval is sought to complete on the amended Collaboration Agreement variation (between Ceredigion County Council and Health Board only), as agreed between parties.
 - Glien House lease - Board approval is sought to arrange the Deed of Variation agreement, a deferral of the current lease break option date by 12 months, subject to the legal document drafting and agreement between parties.
 - Dura Park leases - Board approval is sought to arrange two new leases, to replace the existing single lease agreement, this is subject to legal contract drafting and agreement between parties.
 - Solva Surgery lease - Board approval is sought to arrange the lease, subject to legal contract drafting and agreement between parties.

Following Board approval, the Common Seal will be applied to those documents which are required to be signed under seal (in accordance with Standing Orders)

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Cyfeirnod Cofrestr Risg Datix a Sgôr
Cyfredol:

1793

Datix Risk Register Reference and Score:	
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	1. Plan and deliver services to increase our contribution to low carbon 3. Promote the natural environment and capacity to adapt to climate change 7. Plan and deliver services to enable people to participate in social and green solutions for health 8. Transform our communities through collaboration with people, communities and partners

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Property Asset Strategic Plan (Public Board endorsed May 2023).
Rhestr Termiau: Glossary of Terms:	Included in the report.
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	Agile Working Taskforce Group Executive Team

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Revenue impact included in the report
Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable
Gweithlu: Workforce:	Will be assessed on a project by project basis

Risg: Risk:	Will be assessed on a project by project basis
Cyfreithiol: Legal:	Will be assessed on a project by project basis
Enw Da: Reputational:	Will be assessed on a project by project basis
Gyfrinachedd: Privacy:	Will be assessed on a project by project basis
Cydraddoldeb: Equality:	Will be assessed on a project by project basis