

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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	28 November 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:

- **Fishguard Health Centre**

A lease arrangement was established with the General Practitioner (GP) three partners delivering services from the Health Centre with the Health Authority in June 2009. A further 'Licence to Assign' agreement has been drafted to reflect a change of GP ownership from the former retired Partners to the current Partners.

Risk overview – Low risk status.

Financial – No financial impact to this variation.

Decision – The Executive Team were briefed on the 6 November 2024. Approval is sought to agree and complete on the 'Licence to Assign' agreement to reflect the current arrangements with the GP Practice occupying Fishguard Health Centre.

- **Building 8 leases, St David's Park**

Background - The Capital Planning Team and Transformation Programme Office are the main occupiers of space within Building 8, St Davids Park. An agreement has been reached with the landlord to surrender the lease early. Both services will initially be relocating to Ty Gorwel on the St David's Park site and then to the Welsh Government Offices at Picton Terrace, Carmarthen.

The current leases include break options to terminate both in May 2025. The surrender of both agreements is planned to occur on 13 December 2024 and will require a deed of surrender agreement to be signed under seal.

Risk overview – Low risk status. This process has been undertaken with full engagement of the impacted services and directorate approval has been sought to arrange early exit of the lease.

Financial – The surrender of both lease arrangements will provide the following financial savings, net of any dilapidation claim made by the landlord.

- £65k annual cost which includes the rent, service charge and operating costs.

Decision – A recommendation to break the two new leases was approved by Executive team on 21 August 2024 and an update on the revised dates provided at Executive Team on 6 November 2024. Approval is sought to surrender both lease arrangements.

- **The Beacon (Unit 7), Llanelli**

The Workforce Development service have occupied the site under a lease with the Carmarthenshire Local Authority since 1 May 2018 as a base for the Organisation Development team. This is a renewal of the previous lease to continue occupation at the site.

Lease details:

- Rent - £9,120.50 per annum plus VAT.
- Term – 3 years from the 1 May 2024.
- Break Option – Tenant break option on providing 3 months written notice.
- Outgoings – Tenant will be liable for all utility charges and business rates pertaining to the demised area.

Risk overview – Low risk status.

Financial:

- Rent - £9,120.50 per annum plus VAT.
- Operating cost including Business Rates at £4,046.40 (2024/25).

Decision – The recommendation to arrange a lease renewal was approved by Financial Control Group on 18 September 2024 and reported to the Executive Team 6 November 2024. Board approval is sought to enter into a new lease agreement.

• **Renal Leases**

Renal services are provided by Welsh Kidney Network, commissioned via Swansea Bay Health Board but hosted within the Health Board estate at Glangwili (GGH) and Withybush Hospital (WGH) sites and lease arrangement on the Padarn site located near Bronglais Hospital. Both GGH and WGH were new capital builds delivered by the Health Board via Welsh Government capital, and the site at Padarn is a lease arrangement with the landlord Assure. The original leases were established with the Welsh Kidney Network provider, Fresenius for an initial 10-year contract period. Following a further procurement exercise Fresenius have been re-appointed for a further 10 years. Further leases are being drafted to cover the new contract with Fresenius to support these arrangements.

Current Lease details:

Glangwili and Withybush Renal units

- Rent – Peppercorn rent.
- Term – 10 years from the 1 September 2014 ending on the 31 August 2024.

Aberystwyth Renal Unit – Padarn Surgery

Sub-lease between Hywel Dda UHB and Landlord

- Rent - £120,000.00 exclusive of VAT (recharged back to the Wales Renal Network)
- Term – 20 years from the 1 April 2012 ending on the 31 March 2032.

Underlease between Hywel Dda UHB and Fresenius

- Rent – Peppercorn rent.
- Term – 7 years with options to extend annually up to 3 years from the 1 September 2014 ending on the 31 August 2024.

New Lease details:

Glangwili and Withybush Renal Units

- Rent – Peppercorn rent.
- Term – 7 years with options to extend annually up to 3 years from the 1 September 2024 ending on the 31 August 2034.

Aberystwyth Renal Unit – Padarn Surgery

Underlease between Hywel Dda UHB and Fresenius

- Rent – Peppercorn rent.
- Term – 7 years with options to extend annually up to 3 years from the 1 September 2014 ending on the 31 August 2024.

Risk overview – The current leases are holding pending agreement of the new lease arrangements. These three new leases with Fresenius provide the legal framework to support continued occupation of the units to deliver dialyses services within the Health

Board locality, the services commissioned by Swansea Bay University Health Board (SBUHB).

Financial impact – No financial impact, as all renal delivery costs are covered by SBUHB, and there is provision in the lease agreements to recharge the Health Board estate operating costs at GGH and WGH sites, and the lease costs and operating costs at Padarn site.

Decision – A recommendation to arrange three new leases was tabled with the Executive team on 21 August 2024 and an updated on the 6 November 2024. Board approval is sought to arrange the new leases for the units at GGH and WGH and Padarn Surgery, subject to legal contract drafting and agreement between parties.

- **Teilo Surgery, Llandeilo**

Background – With recent accommodation capacity issues at the surgery the GP at the surgery has arranged separate accommodation to support the occupation of the district nursing and community teams that serve the locality. A formal lease is being established to support this occupation.

Lease Terms:

- A 5-year lease, on an internal repairing basis. The lease will be within the provisions of the Landlord and Tenant Act 1954.
- Both parties have the option to break the lease at the end of the third year with 6 months written notice.
- The rent payable is on the basis of an internal repairing and insuring basis, exclusive of business rates and building insurance.
- The service charge will be inclusive of utilities including gas, electric, cleaning and servicing but excluding telephones and WIFI.
- The service charge will be capped in the first year at £4,215 pa.

Risk overview – Low Risk

Financial Impact –

- Rent payable - £5,785 per annum (there is no VAT payable).
- The service charge will be capped in the first year at £4,215 pa.

Decision – This arrangement was approved by the Carmarthenshire County Team via their Senior Management Team in January 2024 and the Executive Team briefed on the 6 November 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 approval status to proceed with each arrangement.
- **APPROVE** the progression of the legal arrangements subject to final agreement to the contract terms:
 - Fishguard Health Centre - Approval is sought to complete the 'licence to assign agreement', as agreed between parties.
 - Building 8 lease - Approval is sought to surrender both lease arrangements.

- Beacon (Unit 7) – Approval is sought to enter into a new lease agreement to extend the occupation.
- Renal units - Approval is sought to enter into three new lease agreements.
- Teilo Surgery lease - Approval is sought to enter into a new lease agreement.

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: Datix Risk Register Reference and Score:	1793
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