



Report to Cabinet

Date: 20/07/2021

Title: Orchard House – High Wycombe

This report relates to the proposed construction by the Council in partnership with South-Central Ambulance Service (SCAS), of a new Ambulance Resource Centre on the site of a former Property (now demolished) owned Freehold by the Council in High Wycombe under Title Nos BM357755 and BM357753. This development will replace the much smaller existing High Wycombe ambulance facility. The new facility would meet current and future operational needs.

Relevant councillor(s): Cabinet Member – John Chilver

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Ward(s) affected: ABBEY

Counsellor Lesley Clarke OBE - CON (Abbey)

Counsellor Arman Alam – CON (Abbey)

Counsellor Mahboob Hussain JP– CON (Abbey)

There is a confidential part 2 to this two part report, which is exempt by virtue of paragraph 3 of Schedule 12A of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)

1. Content of report

- 1.1. Part 1 Report(this document)
- 1.2. Appendix 1 Site location and red line plan
- 1.3. Appendix 2 SCAS explanation of intended operation

1.4. Part 2 confidential agenda with appendices

Recommendations:

- a. That the Cabinet recognise this project represents a good example of a Local Authority (Buckinghamshire Council) and a NHS Foundation Trust organisation (South Central Ambulance Service (SCAS)) working jointly together to better serve the Councils resident population in providing a more modern and larger ambulance facility to replace the much smaller existing facility which will enable the Service to meet current and future operational needs
- b. That the Cabinet approve the addition of this scheme to the Capital Programme, to be funded via the prudential borrowing facility, which in turn is funded by Public Works Loan Board for a new Ambulance Station let on a long lease to The South Central Ambulance Service NHS Foundation Trust (SCAS).
- c. That the Director for Property and Assets in consultation with the Cabinet Member for Resources and the S151 Officer is authorised to appoint consultants and contractors within the agreed cost envelope set out in the Part 2 report considered in the confidential part of this agenda, to progress and complete development of the site including seeking and obtaining planning permission.
- d. That the Director for Property and Assets in consultation with the Cabinet Member for Resources and the S151 Officer is authorised to finalise and agree the Heads of Terms together with any necessary amendments for a development agreement and Agreement for Lease and Lease in accordance with the emerging heads of terms set out in the confidential annex at part two of this report; and subsequently, subject to meeting contract conditions, to exchange and complete the contracts.
- e. That the Director for Property and Assets in consultation with the Cabinet Member for Resources and the S151 Officer is authorised to prepare all necessary briefings and scopes of work, make and amend as required Planning Applications, undertake any Consultation and to tender for necessary consultants and a main contractor for the construction, design and delivery of this project and subsequently award the construction contracts, subject to those costs falling within the parameters set out in the financial envelope considered in the Part 2 confidential agenda.
- f. That the Director for Property and Assets in consultation with the Cabinet Member for Resources is authorised to enter into, administer and comply with the terms of any required non-disclosure agreement for the duration of this project while it remains in force.

- g. That the Director of Property and Assets in consultation with the Cabinet Member for Resources and the S151 Officer is authorised to make arrangements for a Public Works Loan Board loan to finance the project.**

2. Reason for decision:

- 2.1. This is a dormant Council owned property asset with unrealised potential to create revenue income and improve the Capital value. Following its closure, the former Orchard House had remained unused and unproductive for some time after which it was agreed that the current buildings could not viably be repurposed and were therefore demolished to free the site up for eventual re-development. A legacy of its former use meant the site was the subject of restrictive title constraints that took some time to remove before the site could be brought forward.
- 2.2. The site as it stands now is both unattractive to nearby residents, and has the potential for unauthorised occupation. The site comprises a cleared site of approximately 1.38 acres overall and is located on Cressex Link just to the south of the Cressex Industrial Area. The former buildings shown on the site have been demolished to slab level. A site plan is attached to this report
- 2.3. Proposed is a newly constructed modern ambulance facility in High Wycombe. This new facility will result in an area wide improved patient transport and emergency response service and the proposal contained in this report is considered an excellent fit for this location.
- 2.4. As set out below, this project provides both synergy and a holistic fit with Buckinghamshire Council's Corporate Plan for 2021-and its key strategic and economic activities: -

a. Strengthening our communities:

The provision of a brand new and enhanced facility in this location is expected to provide an improved emergency service to strengthen the resilience of both local and dispersed communities. Both full time employment and volunteering in ambulance services plays an important role in developing and diversifying opportunities bringing people together to help develop individuals and promote greater community understanding of the health and care system.

b. Protecting the vulnerable:

Paramedics have a significant role in reporting any incident where there are grounds to suggest that a vulnerable adult or child is at risk. Improving the location and facilities of an ambulance facility helps in safeguarding and protecting vulnerable adults and children.

c. Improving our environment:

Constructing a new ambulance facility provides an opportunity to ensure a sustainable and eco-conscious design will create a much greener footprint than the existing facility currently provides.

d. Increasing prosperity

The proposed scheme will provide additional income to the Council which will contribute towards meeting its corporate ambitions. The nature of the agreement is such that it also enhances the value of the Council owned asset.

- 2.5. The siting of a new and modern ambulance facility at this site represents good public value with wider ranging social and environmental effects.
- 2.6. This proposal is in line with the One Public Estates aim to bring public sector bodies together, to create better places by using public assets more efficiently, creating service and financial benefits for partners and releasing land for housing and development.
- 2.7. Discussions involving the Councils Property and Finance Team and the SCAS Estates Director, has resulted in the emerging draft Heads of Terms contained in the confidential annexe at part 2 of this agenda which now need to be approved if progress is to continue.

3. Executive summary

- 3.1. SCAS have a strategic need to re-provide an Ambulance hub in High Wycombe and have been unsuccessful in finding a suitable site. They consider that the site that is the consideration of this report would be suitable.
- 3.2. The proposed scheme would involve Buckinghamshire Council constructing a new and improved ambulance Hub to SCAS's specifications and leasing it to SCAS on commercial terms. BC will keep tight control of the base construction costs through their commercial team, design and build contract as well as the tender process and should the costs escalate due to changes in design or specification then these additional costs would be borne by SCAS under the terms of a development agreement.
- 3.3. Progress has now been made subject to Cabinet approval, toward agreeing Heads of Terms for the transaction.
- 3.4. BC would retain the freehold ownership of the building and benefit from a 30-year full repairing and insuring (FRI) lease with a strong market rent and a very strong

covenant. This is considered in the papers submitted in the confidential Part 2 of this Agenda.

- 3.5. The Project delivery team will ensure scrutiny with the inclusion of the following:-

Project Manager / employees agent

Cost consultant / QS

Architect

Clerk of works

4. Other options considered

- 4.1. Option 1 : This case has been progressed to develop a public authority partnership scheme with National Health SCAS to provide a new ambulance hub if it should be economically viable and represents a good fit with the Councils strategic and economic aims on acceptable commercial terms. This is the recommended option.
- 4.2. Option 2 - Doing nothing will mean a continued drain on Council resources and non-intervention will result in a wasted opportunity to bring rejuvenation and improvement to the site to the betterment of the area and residents both local and further afield. The site at present is vacant, unsightly, and vulnerable to trespass and vandalism. This is not a recommended option.
- 4.3. Option 3 - A residential scheme has been considered as an alternative plan see Appendix 10. Should Cabinet decide against the current proposal it is likely that this scheme would be further developed and bought forward at a future date. This is not the recommended option at the present time but would be re visited if Option 1 is not progressed
- 4.4. Option 4 - An expression of interest has been received by a residential Care Home provider who wishes to purchase the Freehold. This is not currently a use strategically supported by the Council. Should the current scheme not progress this expression of interest may be re-visited. This is not the recommended option at the present time but would be re visited if Option 1 is not progressed.

5. Financial implications

- 5.1. The financial appraisal for this scheme set out in the confidential annexe in part 2 of this agenda has been developed in consultation with the Council's Finance Team.
- 5.2. The rent review provisions contained within the Lease will ensure that the rent payable keeps pace with market rent growth and should show a significant increase

over the 30 year period as well as the continuing increase in capital value of the property.

- 5.3. Cash flow associated with this acquisition is set out in the confidential annex considered as Part 2 of this agenda.

6. Key Risks

- 6.1. SCAS withdraw before the building is complete: - Mitigation for abortive costs is provided within the heads of terms under 'Legal and other Costs' and further protection will be provided within the contractual terms of both the development agreement and the agreement to lease.
- 6.2. SCAS fail in their obligation to pay rent: - Mitigation is provided by Central Government backing.
- 6.3. Design changes cause build costs to escalate: - Mitigation will be provided by the terms of the Development agreement..
- 6.4. Construction costs escalate: - The delivery team will ensure scrutiny through a comprehensive and effective Commercial Team.
- 6.5. Independent Consultancy advice confirms that the transaction meets the compliance criteria of S123 of the Local Government 1972 which states that except with the consent of the Secretary of State, a local authority shall not dispose of land "for a consideration less than the best that can reasonably be obtained".

7. Legal implications:

- 7.1. The structure of this transaction proposes an agreement to lease that will be entered into subject to planning and prior to formal instruction of building contractors and a Lease that will complete on final completion of the building.
- 7.2. Section 1 of the Local Government Act 2003 provides a power to borrow a) for any purpose relevant to its functions, or b) for the purposes of the prudent management of its financial affairs.
- 7.3. Buckinghamshire Council will enter into a development agreement with SCAS that will set out in detail the responsibilities of both parties for the development and will ensure that SCAS are contractually responsible for the design element of the build that will be implemented by the main contractor under a JCT design and build contract.
- 7.4. Procurement will be carried out in line with the public contract regulations 2015.
- 7.5. Insurance against restrictive covenants or other Title issues will be implemented ahead of entering final contractual Legal documentation.

7.6. This project is not considered to have any subsidy control implications.

8. Corporate implications

- 8.1. **Property:** It is proposed Council build an ambulance Hub for SCAS. The build costs are covered by the commercial rental, with the enhanced rental covering the costs of SCAS enhanced Ambulance Hub specification. The Council would retain the freehold ownership of the building and benefit from a 30-year FRI lease with a strong market rent on commercial terms and both rental elements would be in effect central government backed.
- 8.2. **HR:** There are not considered to be any HR implications for this project outside of the normal business for the Council
- 8.3. **Climate change:** Any climate change issues inherent to this project will be a Local Planning Authority and Building Control consideration.
- 8.4. **Sustainability:** The design of the scheme will ensure an enhanced ecological and environmentally friendly build. It is intended that the build is biased toward long term sustainability
- 8.5. **Equality:** Any requirement for an equality impact assessment will be addressed in the design and planning stage.
- 8.6. **Data:** (does this decision require a data protection impact assessment) - No
- 8.7. **Value for money:** Independent Chartered surveyors have confirmed that the transaction meets the compliance criteria of S123 of the Local Government 1972 which states that except with the consent of the Secretary of State, a local authority shall not dispose of land "for a consideration less than the best that can reasonably be obtained". A financial appraisal attached as an appendix in the Confidential Agenda.

9. Local councillors & community boards consultation & views

- 9.1. Local Councillors for Abby ward have been written to and invited to comment

10. Communication, engagement & further consultation

- 10.1. If approved the submission of a Planning Application will be supported by Community engagement as part of that process.

Next steps and review

- 11.1 A project plan is attached at A5 appended to the part 2 confidential agenda. This will need to be amended to reflect decision dates.
- 11.2 Regular project team meetings will commence on a fortnightly basis and adjust as warranted
- 11.3 A project board will be set in place to regularly review the project including Financial Legal and Project assurance. Monthly full board meetings are anticipated
- 11.4 The project board will report back to the property board at no less than 6 monthly intervals

12 Background Papers

- 12.1 Project plan
- 12.2 Heads of terms appended to part 2 of this agenda
- 12.3 Financial appraisal appended to part 2 of this agenda
- 12.4 Confirmation from the Councils property consultants that that this project meets the compliance criteria of S123 of the Local Government 1972

13 Your questions and views (for key decisions)

- 13.1 If you have any questions about the matters contained in this report, please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider, please inform the democratic services team. This can be done by **telephone 01296764814** or:

email democracy@buckinghamshire.gov.uk

