

# Finance and Resources Committee

2.00 p.m, Wednesday, 13 May 2015

## Balcarres Street Depot: Proposed sale to Lindemann Healthcare Ltd

<b>Item number</b>	8.6
<b>Report number</b>	
<b>Executive/routine</b>	Executive
<b>Wards</b>	Meadows/Morningside

### Executive summary

---

On 15 January 2015, the Finance and Resources Committee approved the sale of the Council's surplus depot site at Balcarres Street, to an adjacent owner, Lindemann Healthcare Ltd, who would combine both interests to develop a care home and ancillary uses.

Committee approved the disposal subject to a condition that ensured nothing in the disposal should preclude the provision of access through the site to a footbridge over the rail line delivered as part of the Royal Edinburgh Hospital Master-plan.

The additional condition has been agreed in principle and, as the planning application has progressed to the point of detailed design, other terms and conditions have been revised. This report seeks approval to the provisionally agreed revised terms.

### Links

---

<b>Coalition pledges</b>	<a href="#">P17</a> , <a href="#">P30</a> , <a href="#">P37</a>
<b>Council outcomes</b>	<a href="#">CO7</a> , <a href="#">CO8</a>
<b>Single Outcome Agreement</b>	<a href="#">SO1</a>

## Balcarres Street Depot: Proposed sale to Lindemann Healthcare Ltd

### Recommendations

---

It is recommended that Committee:

- 1.1 Approves the sale of the former Depot at Balcarres Street to Lindemann Healthcare Ltd on the terms and conditions outlined in this report and on such other terms to be agreed by the Acting Director of Services for Communities in consultation with the Head of Legal, Risk and Compliance.

### Background

---

- 2.1 The subjects are a former Council depot, which is surplus to operational requirements as a result of the ongoing Depots Review, as shown hatched red on the plan at Appendix 1.
- 2.2 On 15 January 2015, the Finance and Resources Committee approved the main terms and conditions for the sale of the subjects to Lindemann Healthcare Ltd for the development of a 42 bed care home with ancillary accommodation. In addition to the main terms and conditions, Committee approved that nothing in the disposal should preclude the provision of access through the site to a footbridge over the rail line delivered as part of the Royal Edinburgh Hospital Master-plan.
- 2.3 In the intervening period, the design of the proposed development has advanced allowing the purchaser and Council to agree to revise aspects of the conditionality, which simplifies the transaction and increases the capital receipt to the Council.

### Main report

---

- 3.1 The original main terms and conditions approved by Committee were:-

Purchaser:	Lindemann Healthcare Ltd
Price:	£500,000 exclusive of VAT
Use:	Care Home and ancillary accommodation
Clawback and overage:	The Council would receive 75% of any additional value from a scheme greater than 42 beds and would

receive 50% of any uplift in value if the site is sold on undeveloped.

Use Conditions: The sale is subject to the purchaser obtaining planning consent for its development.

If part of the site is not required for the purchaser's scheme it will be retained by the Council.

The development should not preclude the provision of access through the site to link across the railway to the Royal Edinburgh Hospital Site.

3.2 The purchaser has progressed the design and content of the scheme and is now willing to waive the conditionality in planning and offer an enhanced purchase price. Consequently, provisional agreement has been reached on the following revised main terms and conditions:

Purchaser: Lindemann Healthcare Limited

Price: £795,000 exclusive of VAT. This is an increase of £295,000 reflecting the residential element of the scheme and changes to conditionality.

Use Conditions: The scheme will comprise a 42 bed care home, ancillary accommodation and 10 flatted residential units, which will utilise the entire site.

The sale is no longer subject to planning consent, and will have no suspensive conditions, e.g. abnormal etc. Consequently, the increased capital receipt is guaranteed once the sale contract is signed.

If the purchaser fails to commence the development, or appoint a contractor, within two years from the date of entry, the Council will have the option to reacquire the property at the above purchase price.

Access across the site to a possible bridge link across the railway, to the Royal Edinburgh Hospital site, will be preserved for five years from the date of entry.

## Measures of success

---

4.1 The construction of a much needed care home contributing to the undersupply across the city.

- 4.2 A vacant site will be brought back into active use and will deliver a care home which will address the shortfall of existing bed spaces in the city.

### **Financial impact**

---

- 5.1 A capital receipt of £795,000 to be received in financial year 2015/2016.

### **Risk, policy, compliance and governance impact**

---

- 6.1 There are not expected to be any risk, governance, compliance or regulatory implications arising from the proposals set out in this report.

### **Equalities impact**

---

- 7.1 The sale of the land will facilitate the development of a care home, specifically for users dependent on a high level of care. It will also be constructed to meet the highest levels of accessibility design in construction. Both of these issues have a positive impact on vulnerable elderly and dementia patients.

### **Sustainability impact**

---

- 8.1 The development will meet current standards of sustainable construction. There are no on site environmental issues to report.

### **Consultation and engagement**

---

- 9.1 Not applicable.

### **Background reading/external references**

---

None.

## **John Bury**

Acting Director of Services for Communities

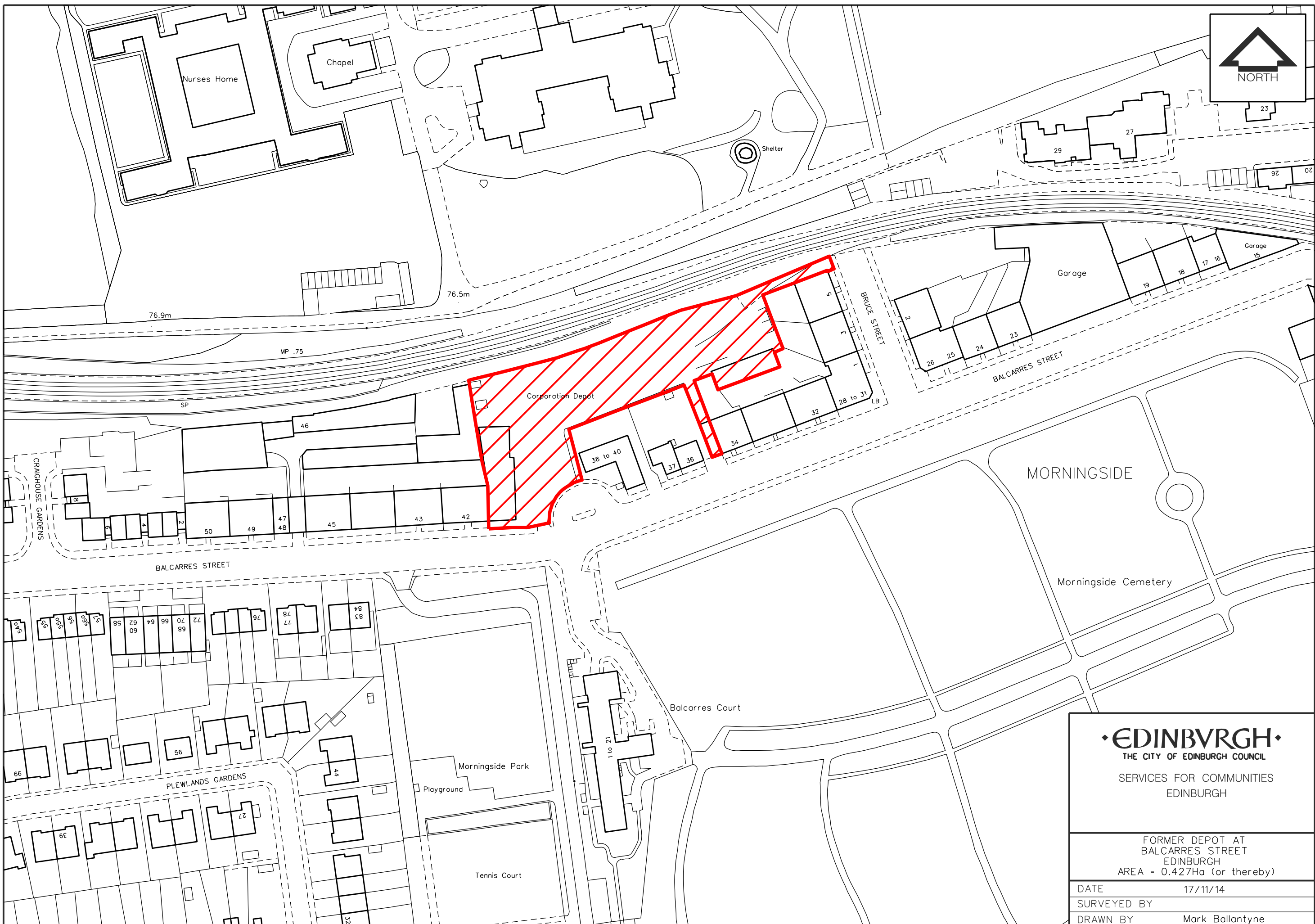
Contact: Chris Jayne, Estates Surveyor

E-mail: [chris.jayne@edinburgh.gov.uk](mailto:chris.jayne@edinburgh.gov.uk) | Tel: 0131 529 6528

## Links

---

<b>Coalition pledges</b>	P17 – Continue efforts to develop the city’s gap sites and encourage regeneration.
<b>Council outcomes</b>	CO10 – Improved health and reduce inequalities. CO11 – Preventative and personalised support in place. CO12 – Edinburgh’s carers are supported. CO14 – Communities have the capacity to help support people. CO15 – The public is protected.
<b>Single Outcome Agreement</b>	SO2 – Edinburgh’s citizen experience improved health and well-being with reduced inequalities in health. SO4 - Edinburgh's communities are safer and have improved physical and social fabric.
<b>Appendices</b>	Appendix 1 – Location Plan



SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL SERVICES FOR COMMUNITIES EDINBURGH	
FORMER DEPOT AT BALCARRES STREET EDINBURGH AREA - 0.427Ha (or thereby)	
DATE	17/11/14
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	N.T.S
NEG. NO.	A3/1515