Finance and Resources Committee

10.00am, Thursday, 25 January 2024

New Maybury Primary School and Health Centre – Proposed Lease to NHS Lothian

Executive/routine Routine Wards 1 – Almond

1. Recommendations

1.1 That the Finance and Resources Committee approve a 50-year Lease to NHS Lothian of the health centre forming part of the new Maybury Primary School on the terms outlined in this report and on other terms to be agreed by the Executive Director of Place.

Paul Lawrence

Executive Director of Place

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Report

New Maybury Primary School and Health Centre – Proposed Lease to NHS Lothian

2. Executive Summary

2.1 As a result of residential development at West Craigs, the Council is delivering a new three stream Primary School and Health Centre. Approval is sought to lease the Health Centre part of the building to NHS Lothian on the terms and conditions outlined in this report.

3. Background

- 3.1 Due to extensive new residential development to the west of Maybury Road, a new Primary School and Health Centre is required.
- 3.2 As part of a Section 75 Agreement, the developer, West Craigs Ltd, has provided a site for this and is also contributing to the cost of building the new School.
- 3.3 NHS Lothian is contributing to the cost of the facility, based on the gross internal floor area, to be used as the health centre.
- 3.4 Construction of the new building is well underway and is due to complete in September 2024.

4. Main report

- 4.1 The following terms have been provisionally agreed:
 - 4.1.1 Subjects: Health centre forming part of the new Maybury Primary School;
 - 4.1.2 Tenant: NHS Lothian;
 - 4.1.3 Term: 50 years from date of entry (anticipated September 2024) with option to extend for a further 10 years;
 - 4.1.4 Rent: £1 per annum;
 - 4.1.5 Permitted Use: GP Surgery and ancillary NHS use;

- 4.1.5 NHS Lothian Capital Contribution: estimated at £4.15m of which approximately £3.5m has already been paid;
- 4.1.6 Repairs: NHS Lothian to maintain the interior of the health centre only;
- 4.1.7 Running Cost Share: to be apportioned based on area occupied; and
- 4.1.8 Costs: each party is responsible for payment of its own legal and professional fees and outlays.

5. Next Steps

5.1 Following approval of the terms by Committee, Legal Services will be instructed to conclude the Lease.

6. Financial impact

- 6.1 NHS Lothian is making a capital contribution to the overall project cost based on the floor area to be occupied by the health centre.
- 6.2 The total contribution is estimated at approx. £4.15m with the final amount to be determined when construction is completed.

7. Equality and Poverty Impact

7.1 The impact on equalities has been considered. The Integrated Impact Assessment (IIA) checklist has been completed and the outcome is that a full IIA is not required for this report. There is little relevance to equality and no negative impact.

8. Climate and Nature Emergency Implications

8.1 The property is a new building which has been designed and is being constructed in accordance with Passivhaus standards.

9. Risk, policy, compliance, governance and community impact

9.1 Ward members have been aware of the recommendations of this report.

10. Background reading/external references

10.1 Planning Application <u>21/02158/FUL</u> New School with adjoining Nursery, Health Centre and Sports Pitches, Land 175m S.E. of Meadowfield Farm.

11. Appendices

Appendix 1 – Location plan.

