

Finance and Resources Committee

10.00am, Thursday, 16 June 2022

Lease of Drumbrae Care Home, 24A Ardshiel Avenue, Edinburgh

Executive/routine	Routine
Wards	Drumbrae/Gyle
Council Commitments	37, 38

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approves the lease of 24A Ardshiel Avenue, currently Drumbrae Care Home, to NHS Lothian (NHSL) for the provision of Hospital Based Complex Clinical Care services on the terms and conditions detailed in this report.

Paul Lawrence

Executive Director of Place

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Report

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2. Executive Summary

- 2.1 As part the conclusions of the bed-based review for the city, the Edinburgh Integrated Joint Board approved that NHS Lothian should proceed to decommission existing services at Drumbrae Care Home and, instead, provide Hospital Based Complex Clinical Care services from the property. To facilitate this, approval is sought to lease the property to NHS Lothian on the terms and conditions detailed in this report.

3. Background

- 3.1 On [28 September 2021](#), the Edinburgh Integration Joint Board (EIJB) approved proposals for Phase 1 of its bed-based care strategy.
- 3.2 The proposals include the decommissioning of the residential care services currently provided from the Council owned Drumbrae Care Home and, instead, providing Hospital Based Complex Clinical Care (HBCCC) services from the property.
- 3.3 The proposals are part of a number of related property transaction involving NHS Lothian (NHSL) whereby they will exit remaining services at Liberton Hospital, in turn to be sold to the Council, and Ferryfield Care Home, when the current agreement expires in October 2023.
- 3.4 To facilitate this wider change, NHSL requires to lease the Drumbrae facility from the Council, which is the propose of this report.

4. Main report

- 4.1 NHSL will carryout a number of capital adaptation works to the property to make it suitable for the proposed use of HBCCC services. The main terms of the lease are as follow:
- 4.1.1 Lease Term – five years;

- 4.1.2 Rent – full market value at £420k pa;
- 4.1.3 Works – all refurbishment works to be agreed by the Council, as landlord, in advance;
- 4.1.4 Terms – the lease will be on full repairing and insurance terms with responsibility on the tenant; and
- 4.1.5 Other – a rent free period of six months will be granted from the date of entry.

5. Next Steps

- 5.1 Subject to Committee approval, Legal Services will conclude the leasing arrangements with NHSL.

6. Financial impact

- 6.1 The lease of the property will create a new income stream of £420k pa to the Council.
- 6.2 In addition, the lease will create savings of around £100k per annum for repairs and maintenance and £70k per annum for utilities, as these costs will be passed to NHSL.
- 6.3 The Council built the property in 2003 using prudential borrowing and there is currently seven years left on the loan at a cost of £606k pa.
- 6.4 If the property were to lie vacant following decommissioning of the current service, the vacant property costs would include Non-Domestic Rates of around £8,500 per month, security cover, utilities, emergency repairs and maintenance and compliance costs.

7. Stakeholder/Community Impact

- 7.1 Consultation and engagement in relation to the proposals is covered in the report to the EIJB on 28 September 2021.
- 7.2 The EIJB report of 28 September 2021 addresses the implications of this proposal on equalities, sustainability and climate change.

8. Background reading/external references

- 8.1 Report to [Edinburgh Integration Joint Board](#) on 28 September 2021.

9. Appendices

9.1 None.