

NHS Ayrshire & Arran



Meeting:	Ayrshire and Arran NHS Board
Meeting date:	Tuesday 28 March 2023
Title:	Purchase of additional medical student accommodation (Plot 41, The Scholars, Kilmarnock)
Responsible Director:	Nicola Graham, Director of Infrastructure & Support Services
Report Author:	Jac Maconochie, Assistant Property Services Manager and Greg MacKenzie, Property Transaction Manager, Property Services, Strategy and Partnerships

1. Purpose

This is presented to the Board for:

- Decision

This paper relates to:

- Annual Operational Plan

This aligns to the following NHSScotland quality ambition(s):

- Safe
- Effective

2. Report summary

2.1 Situation

In January and March 2022 the NHS Board approved the purchase of three properties at the Scholars Development in Kilmarnock for accommodation for medical students, part funded by NHS Education for Scotland (NES) through Additional Cost of Teaching (ACT) funding with the balance from the Capital Investment Plan Financial Year 2021-2022.

Additional NES ACT funding has been made available that can be utilised for the purchase of an additional property.

Board Members are asked to approve the purchase of a fourth property at the development with the capital costs being funded by NES ACT. The use of the property would be the same as the previously approved properties.

2.2 Background

The properties purchased in 2022 provided better quality facilities and better value investment against refurbishment of existing accommodation at Lister Street, University Hospital Crosshouse (UHC).

Scottish Government (SG) have offered an additional £275k of ACT funding towards the purchase and furnishing of a property for use by medical students. This funding is available in financial year 2022-2023 and will require the Board to have signed binding missives before 31 March 2023.

2.3 Assessment

In 2022, the purchase of three, four bedroom properties at the Scholars Development were determined to offer better value over the re-purposing of office accommodation at Lister Street. These properties are brand new, attractive, energy efficient, offer limited sharing of bathrooms (two bedrooms share each bathroom), have no backlog maintenance liabilities and are conveniently located for public transport links to UHC. They are also close to Kilmarnock Centre, bus station and train station for wider access. Purchase of new accommodation from a developer provides certainty in terms of price and is easier to align with NHS Ayrshire & Arran governance approvals.

SG ACT funding of £275k is being provided to acquire and furnish one property.

The developer has offered to sell this property (mid-terrace) for £237.5k, leaving £37.5k available towards furniture and modification works necessary to meet Houses of Multiple Occupancy (HMO) standards.

NHS Ayrshire & Arran purchased a similar mid-terrace property in 2022 for £250k and end terrace for £260k. This price is more attractive as the developer has offered a 5% discount. No other new properties are available within the required timescale to complete missives and obtain access in April 2023.

The purchase would need to conclude a missive prior to 31 March 2023, with settlement in April 2023 to meet the Management Accounting guidance for the purchase of capital assets.

Operational costs of approximately £22.5k per year will be funded from annual ACT funding.

2.3.1 Quality/patient care

The acquisition of the additional property will enhance the student experience, support recruitment and improve care provision.

2.3.2 Workforce

The purchase of the property will provide a home for students that is attractive, of high quality and safe.

2.3.3 Financial

To purchase the property at The Scholars will require operational support in terms of housekeeping, maintenance and utilities, which will incur some additional operational costs due to the off-site location and travel time for staff, domestic rates and factoring

cost. As a new build, it is anticipated to be more energy efficient with lower energy bills.

Dr Hugh Neill, Director of Medical Education (DME) had secured “Additional Cost of Teaching” (ACT) funding for the project of £275,000, provided by NHS Education for Scotland. This will cover the cost of purchase of £237,500 and the cost of the finishes and furnishings.

The annual operational costs are estimated to be £22,500 per year and the DME confirmed this will be funded from ACT funding.

By creating the additional capacity for Medical Students at the Scholars this in turn will provide additional flexibility across the remaining residential estate in order to support the wider recruitment programmes.

2.3.4 Risk assessment/management

The capital costs have very low risk as the purchase price for the properties is fixed. It is proposed that legally being missives being concluded during March 2023.

The quality of the accommodation will be inspected by construction professionals within the Board to ensure that defects are rectified timeously and prior to the use by medial students.

The premises will operate as a House of Multiple Occupancy (HMO) and will require approval by the local authority. Advice from East Ayrshire Council has indicated that an application can only be made once the properties are in the applicant’s ownership. The risk of failure to grant a licence is considered very low due to the quality and age of the accommodation, the nature of the applicant and the nature of the occupants. It is noted that an annual licence application and approval is required and the premises will have to be appropriately managed to ensure it operates as a “good neighbour” to minimise any risk of objections. The tenancy agreements for the occupants will be reviewed meet the specific needs of this site.

The purchase of off-site accommodation in preference of Lister Street provides the Board with a residual value that otherwise would not exist. Should the future shape of the estate through the Caring for Ayrshire strategy make these premises surplus, it is expected that they could be disposed of at market value achieving close to full recovery of the initial investment.

The acquisition of the premises shall be completed in accordance with the Board’s Standing Financial Instructions and Scottish Government’s Property Transaction Handbook. This will include legal work by the Central Legal Office and use of external independent property advisors as necessary

2.3.5 Equality and diversity, including health inequalities

An impact assessment is attached.

2.3.6 Other impacts

- The objective is to obtain best value in selling the property.
 - Property Services, Strategy & Partnership will manage the process and coordinate between the advisers.

- The Post Transaction monitoring will be carried out in compliance with the NHS Scotland Property Transactions Handbook and any financial or corporate audits that will take place.
- The disposal of the property is in line with corporate objective of reducing the size of the estate, by removing buildings which do not support current service objectives.

2.3.7 Communication, involvement, engagement and consultation

The Board has carried out its duties to involve and engage external stakeholders where appropriate:

- N/A

2.3.8 Route to the meeting

This has been previously considered by the following groups as part of its development. The groups have either supported the content, or their feedback has informed the development of the content presented in this report.

- Infrastructure Programme Board Advisory Group, 8 March 2023
- Infrastructure Programme Board, 20 March 2023
- Corporate Management Team, 21 March 2023

2.4 Recommendation

For decision. Members are asked to approve the purchase of a fourth property, plots 41 at The Scholars, Kilmarnock, by the Board, in the name of Scottish Ministers, be concluded with funding provided by NES ACT.

3. List of appendices

The following appendices are included with this report:

- Appendix No 1, Acquisition Property Site Plan, Elevation and Floor Plans

Appendix 1 - Acquisition Property Site Plan, Elevation and Floor Plans

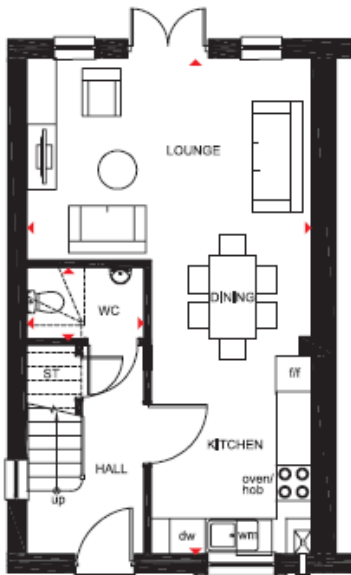
Site Development Plan



Elevations



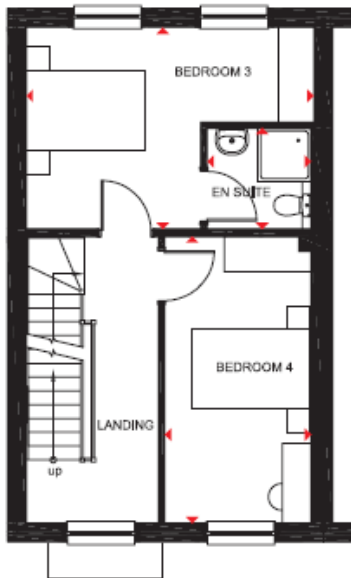
Property Floor Plans



Ground Floor

Lounge/ Kitchen/Dining	8367 x 4807mm	27'5" x 15'8"
WC	1980 x 1207mm	6'5" x 4'0"

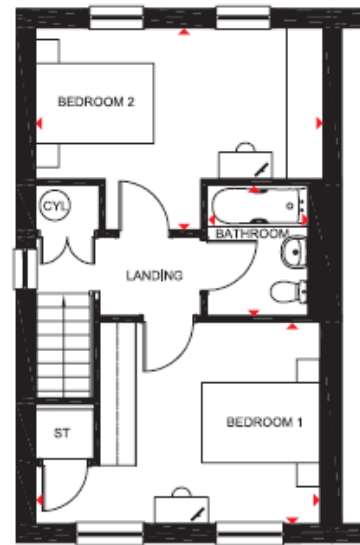
[Approximate dimensions]



First Floor

Bedroom 3	4857 x 3408mm	16'0" x 11'2"
En suite	1757 x 1700mm	5'8" x 5'6"
Bedroom 4	4836 x 2471mm	15'9" x 8'1"

[Approximate dimensions]



Second Floor

Bedroom 1	4807 x 3404mm	15'8" x 11'2"
Bedroom 2	4857 x 3408mm	16'0" x 11'2"
Bathroom	2200 x 1700mm	7'2" x 5'6"

[Approximate dimensions]

EQUALITY IMPACT ASSESSMENT

This is a legal document stating you have fully considered the impact on the protected characteristics and is open to scrutiny by service users/external partners/Equality and Human Rights Commission

If you require advice on the completion of this EQIA, contact elaine.savory@aapct.scot.nhs.uk

'Policy' is used as a generic term covering policies, strategies, functions, service changes, guidance documents, other

Name of Policy	Purchase of Plot 41, The Scholars, Kilmarnock		
Names and role of Review Team:	Greg MacKenzie – Property Transaction Manager Jac Maconochie – Assistant Property Services Manager	Date(s) of assessment:	8 th March 2023

SECTION ONE AIMS OF THE POLICY

1.1. Is this a new or existing Policy : New _____

Please state which: Policy Strategy Function Service Change Guidance Other

1.2 What is the scope of this EQIA?

NHS A&A wide Service specific Discipline specific Other (please detail)
Property Acquisition

1.3a. What is the aim? To approve the purchase of Plot 41 at the Scholars development, Kilmarnock. It is a 4 bed townhouse to provide residential accommodation to support principally medical students and free space for International Recruits and International Fellows.

1.3b. What is the objectives? To obtain the best price for the property and support HR and Medical Education in expanding the programmes of expanding medical staff. This in turn will support services in Acute sites.

1.3c. What is the intended outcomes? To increase the residential space available for medical students and as a result create more space at Lister Street, UHC for international recruitment.

1.4. Who is this policy intended to benefit or affect? In what way? Who are the stakeholders?

Ultimately this will benefit patients, as it will allow more recruits to be hired and more students to be educated, providing support to Acute Services.

1.5. How have the stakeholders been involved in the development of this policy? The occupiers have not yet been identified, but at this stage it provides capacity to Medical Education and HR to recruit staff.

1.6 Examination of Available Data and Consultation - Data could include: consultations, surveys, databases, focus groups, in-depth interviews, pilot projects, reviews of complaints made, user feedback, academic or professional publications, reports etc.)

He purchase will be in accordance with the NHS Scotland Property Transactions Handbook, Property and Legal Advisers will be appointed.

Name any experts or relevant groups / bodies you should approach (or have approached) to explore their views on the issues.

The proposed disposal of the property by sale would be subject to the guidance set out in the NHS Scotland Property Transactions Handbook and once it is declared surplus by NHS Board a property and legal adviser would be appointed.

What do we know from existing in-house quantitative and qualitative data, research, consultations, focus groups and analysis?

At the moment, there is 65% capacity of existing residential accommodation. This will need to be increased to attract additional staff.

What do we know from existing external quantitative and qualitative data, research, consultations, focus groups and analysis?

The Market Value will be subject to approval of the Property Adviser. Based on information from the market, the cost of purchase over the long term is more cost effective than leasing.

1.7. What resource implications are linked to this policy?

There will be cost for a Property Adviser, and Legal fees.

SECTION TWO	IMPACT ASSESSMENT
--------------------	--------------------------

Complete the following table, giving reasons or comments where:

The Programme could have a positive impact by contributing to the general duty by –

- Eliminating unlawful discrimination
- Promoting equal opportunities
- Promoting relations within the equality group

The Programme could have an adverse impact by disadvantaging any of the equality groups. Particular attention should be given to unlawful direct and indirect discrimination.

If any potential impact on any of these groups has been identified, please give details - including if impact is anticipated to be positive or negative.

If negative impacts are identified, the action plan template in Appendix C must be completed.

Equality Target Groups – please note, this could also refer to staff				
-----------------------------------------------------------------------------	--	--	--	--

	Positive impact	Adverse impact	Neutral impact	Reason or comment for impact rating
2.1. Age <ul style="list-style-type: none"> • Children and young people • Adults • Older People 			✓	N/A
2.2. Disability (incl. physical/ sensory problems, learning difficulties, communication needs; cognitive impairment, mental health)			✓	N/A

2.3. Gender Reassignment			✓	N/A
2.4 Marriage and Civil partnership			✓	N/A
2.5 Pregnancy and Maternity			✓	N/A
2.6 Race/Ethnicity			✓	N/A
2.7 Religion/Faith			✓	N/A
2.8 Sex (male/female)			✓	N/A
2.9 Sexual Orientation <ul style="list-style-type: none"> • Lesbians • Gay men • Bisexuals 			✓	N/A
2.10 Carers			✓	N/A
2.10 Homeless			✓	N/A
2.12 Involved in criminal justice system			✓	N/A
2.13 Literacy			✓	N/A
2.14 Rural Areas			✓	N/A

2.15 Staff <ul style="list-style-type: none"> • Working conditions • Knowledge, skills and learning required • Location • Any other relevant factors 	✓			The Building offers improved residential facilities for staff.
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---	--	--	----------------------------------------------------------------

2.16. What is the socio-economic impact of this policy / service change? (The [Fairer Scotland Duty](#) places responsibility on Health Boards to actively consider how they can reduce inequalities of outcomes caused by socio-economic disadvantage when making strategic decisions)

	Positive	Adverse	Neutral	Rationale/Evidence
Low income / poverty			✓	N/A
Living in deprived areas			✓	N/A
Living in deprived communities of interest			✓	N/A
Employment (paid or unpaid)			✓	N/A

SECTION THREE CROSSCUTTING ISSUES

What impact will the proposal have on lifestyles? For example, will the changes affect:

	Positive impact	Adverse impact	No impact	Reason or comment for impact rating
3.1 Diet and nutrition?			✓	N/A

3.2 Exercise and physical activity?			✓	N/A
3.3 Substance use: tobacco, alcohol or drugs?			✓	N/A
3.4 Risk taking behaviour?			✓	N/A

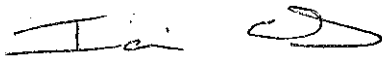
SECTION FOUR CROSSCUTTING ISSUES				
Will the proposal have an impact on the physical environment? For example, will there be impacts on:				
	Positive impact	Adverse impact	No impact	Reason or comment for impact rating
4.1 Living conditions?	✓			Improved conditions for staff.
4.2 Working conditions?	✓			Allows more services to be moved to UHC.
4.3 Pollution or climate change?	✓			The properties are new build, with better energy performance with insulation and solar panels.
Will the proposal affect access to and experience of services? For example:				
	Positive impact	Adverse impact	No impact	Reason or comment for impact rating
Health care	✓			More staff being recruited will increase access to healthcare.
Social Services			✓	
Education	✓			The subject premises will support the medical education programme.

Transport			✓	
Housing	✓			The acquisition will expand and improve housing provision.

SECTION FIVE MONITORING
How will the outcomes be monitored? The NHS Scotland Property Transactions Handbook has Post-Transaction Monitoring process.
What monitoring arrangements are in place? The Property Adviser and Legal Adviser sign off on the sale process during and after missives.
Who will monitor? Head of Property Services, Strategy & Partnership will monitor the process and the Chief Executive will sign off once concluded.
What criteria will you use to measure progress towards the outcomes? To complete the Property Transaction Monitoring Certification, which will be subject to audit by our external advisers.
PUBLICATION
Public bodies covered by equalities legislation must be able to show that they have paid due regard to meeting the Public Sector Equality Duty (PSED). This should be set out clearly and accessibly, and signed off by an appropriate member of the organisation. Once completed, send this completed EQIA to the Equality & Diversity Adviser

Authorised by	Iain Gairns	Title	Head of Property Services, Strategy & Partnerships
----------------------	-------------	--------------	---------------------------------------------------------------

Signature

A handwritten signature in black ink, appearing to be 'I. J.', enclosed in a rectangular box.

Date

08.03.2023

Identified Negative Impact Assessment Action Plan

Name of EQIA:

N/A

Date	Issue	Action Required	Lead (Name, title, and contact details)	Timescale	Resource Implications	Comments

Further Notes:

Signed:

Date:

