

# NHS Ayrshire & Arran



<b>Meeting:</b>	<b>Ayrshire and Arran NHS Board</b>
<b>Meeting date:</b>	<b>Monday 2 December 2024</b>
<b>Title:</b>	<b>Purchase of Galston Surgery</b>
<b>Responsible Director:</b>	<b>Nicola Graham, Director of Infrastructure &amp; Support Services</b>
<b>Report Author:</b>	<b>Claire McCamon, Senior Manager, Primary Care and Greg MacKenzie, Property Transaction Manager, Property Services, Strategy and Partnerships</b>

## 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

The former GP Partners of Galston Medical Practice operated from premises located at 5A Henrietta Street, Galston prior to terminating their General Medical Services Contract (GMS) on 31 March 2024. From that time Ballochmyle Practice hold the GMS contract and occupy the property under a Licence to Occupy from the owners, the former Partners of Galston Medical Practice as an interim measure, while a long-term solution is sought.

The owners confirmed prior to the termination of their GMS Contract their intention was to sell the premises. This paper is jointly submitted by Primary Care Services, Property Services, and Strategy & Partnerships, following the recommendation from the Corporate Management Team, to seek approval for the purchase of the Galston Surgery.

### 2.2 Background

The Ballochmyle Medical Group initially expressed interest in purchasing the property but later informed us that they were not in a position to proceed with the purchase

Following this decision, discussions took place between Heads of Service and Directors of both East Ayrshire Health and Social Care Partnership – Primary Care Management and ISS, to confirm that the Health Board would proceed to purchase Galston direct from the Partners of Galston Medical Practice, this was communicated to both parties.

This process would be in line with the mandatory guidance outlined in the NHS Scotland Property Transaction Handbook (PTHB). Based on previous experience with purchasing GP properties, the process would involve a Property Adviser to provide valuation advice, a Special Adviser to conduct a building condition report, and a six-facet survey to assess backlog maintenance, which would then be uploaded to the Strategic Asset Management System (SAMS). Additionally, the Central Legal Office (CLO) would serve as the Legal Adviser. The District Valuer Service (DVS) would offer advice to Primary Care Management regarding the appropriate rent reimbursement under the GP Contract.

### 2.3 Assessment

The Board appointed a Property Adviser who valued the property and a Special Adviser to produce a building condition report, to understand the level of defects and whether this would affect the price. There was a concern that Reinforced Autoclaved Aeriated Concrete (RAAC) could be present, but this was confirmed as being absent.

The building survey report by Thomson Gray was reviewed by Estates and again this had to be updated to reflect statutory compliance and with NHS Scotland Property Appraisal Manual. So, the figures quoted are an accurate estimate of the real cost to rectify the defects identified and are all inclusive of VAT to be consistent.

The Thomson Gray report highlights the observed defects and provides a cost of rectifying these of £239,000 inclusive of VAT. This can be broken down as follows:

<b>High</b>	<b>£91,000</b>	<b>12 Months</b>
<b>Moderate</b>	<b>£118,000</b>	<b>12-48 Months</b>
<b>Low</b>	<b>£30,000</b>	<b>48 Months +</b>
<b>Total</b>	<b>£239,000</b>	<b>-</b>

Here's a revised version of the paragraph for clarity and flow:

The high-risk issues would need to be addressed within the first year of any purchase and they represent a cost pressure on the ISS Estates Budget. The moderate-risk defects should be resolved within approximately two years to ensure the Board remains compliant with its statutory obligations and avoids placing unacceptable risks on patients and staff. Low-risk defects would be incorporated into longer-term plans, based on the lifecycle of the building elements and any deterioration, as part of the broader estate management strategy.

Estates colleagues have identified mandatory testing and reporting obligations in accordance with the Board's legal and policy standards and would need to be implemented on purchase. This amounts to £62,400 inclusive of VAT, associated with reports and testing of asbestos, gas, electricity and fire safety, as the outgoing

Practice have not provided these. The Board would also need to link the property to the fire and intruder alarms on purchase.

This further element brings the total to £301,400.

In the first year, the combined cost of high risk backlog/statutory compliance along with the reports and monitoring systems would be £153,400 inclusive of VAT. As Estates have not accounted for this within their budget, funding of this amount will be to be allocated within the Capital Programme, as well as the cost of purchase.

Both Thomson Gray and Estates have highlighted the current economic conditions relating to the supply and price of construction materials and any prices quoted can be subject to sudden fluctuations and increases and the prices here reflect information available at the time.

The Property Adviser – Graham & Sibbald have provided a valuation report stating a Market Value of £180,000. This takes into account the property condition report and the level of defects have been accounted for within this price. The Practice have appointed a property adviser, Allison & Co., who agreed with the Board's valuation.

Estates and Clinical Support Services have been fully engaged within the process and confirmed the operational costs required to deliver hard and soft FM services to Galston Surgery.

### **2.3.1 Quality/patient care**

As the owners of the building, the former partners of Galston Medical Practice, have indicated their desire to sell the property, the purchase of Galston Surgery is necessary to provide continued medical care for the patients within Galston. If the Board were prevented from using the surgery or it was sold to another party, there are no other suitable alternative premises within Galston, therefore the alternative would be to spread the patients over a number of healthcare properties in neighbouring towns and villages. This would lead to a deterioration in the availability and quality of patient care and put further strain on services within alternative properties.

### **2.3.2 Workforce**

The purchase of the property will secure a permanent base for the current contract holder Ballochmyle Medical Practice and the staff who have transferred along with the contract, providing surety in their positions and no change to their working practices.

### **2.3.3 Financial**

Full breakdown of the projected annual costs were presented in full and approved by IPBAG, with Estates, Clinical Support Services, Digital Services, Property Services and Primary Care fully engaged with the process and confirmed operational costs to fully maintain services within the surgery going forward. There will be an offset of these costs as Ballochmyle Medical Practice are obliged to pay the operational costs as per the NHS Scotland GP contract, however until the purchase is complete the lease has not been finalised.

### **2.3.4 Risk assessment/management**

The capital costs are fully identified, and operational costs are understood, to allow the purchase to go ahead. Notwithstanding the additional costs to make the property

compliant with NHS Scotland property standards, the building is a purpose built surgery to provide General Medical Services (GMS). However in the event the Board do not purchase the property there would be a very high short term cost in providing temporary premises and once a suitable alternative had been identified, it is likely there would be a capital cost to purchase the property and build/convert to a suitable NHS standard for GMS.

### **2.3.5 Equality and diversity, including health inequalities**

An impact assessment has been completed and it has been found that any alternative arrangements would make access to Primary Care more difficult. It would have a detrimental effect where there are issues of ill-health related to diversity, such as the elderly, those with lack of mobility, those who do not speak English as a first language/cultural barriers and people who have childcare responsibilities. See Appendix 1 for the EQIA.

### **2.3.6 Other impacts**

- The objective is to obtain best value in purchasing 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.

### **2.3.7 Communication, involvement, engagement and consultation**

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

The Primary Care Management Team carried out a number of engagements with patients and key stakeholders on the situation with Galston Medical Practice as noted on the timeline below:

6 October 2023:

- A letter was sent to patients informing them that the current GP partners at Galston Medical Practice had resigned their GMS contract, effective 31 March 2024. It was also communicated that the practice would continue to operate as normal, and that NHS Ayrshire & Arran would begin a procurement process to advertise the contract.

9 October 2023:

- A holding statement was issued to elected members to inform them of the situation.
- A letter was sent to the multidisciplinary team (MDT) service leads, providing the same information.
- A Teams meeting was held with the affected GP practice within the cluster to discuss the developments.

13 October 2023:

- Interim patient movement restrictions were put in place to ensure stability across the local cluster. Updates were placed on websites of effected GP practices and a patient information leaflet shared with the practices for issue to patients if required.

8 January 2024:

- An update was issued to elected members, confirming that the procurement process had started and interviews were scheduled for the end of January.

8 February 2024:

- Patients were updated following a successful procurement process in which Dr Sharma & Partners were awarded the new contract, a letter was sent to patients to inform them that the new contract would take effect on 1 April 2024.
- Elected members were also updated on the outcome of the procurement process.

26 February 2024:

- MDT Service Leads, Community Pharmacy, and Optometry practices were issued with an update to inform them that the contract had been awarded to BMG.

12 March 2024:

- A community engagement event was held at the local high school. This event was attended by the new partners, local patients, NHS Ayrshire & Arran's Primary Care management team, and representatives from the East Ayrshire Health and Social Care Partnership. The event featured presentations from the new partners and included a Q&A session, providing an opportunity for the community to engage directly with the new medical team.

This timeline highlights the Board's consistent communication and engagement with various external stakeholders throughout the process.

### **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 and Support Services Extended Management Team, 20 June 2024
- Infrastructure Programme Board Advisory Group, 3 July 2024. Further information sought on agreed price and operational costs, to be submitted virtually.
- Infrastructure Programme Board Advisory Group, 3 September 2024 - submitted virtually.
- Infrastructure Programme Board, 14 October 2024 - submitted virtually.
- Corporate Management Team, 29 October 2024.

## **2.4 Recommendation**

Members are asked to approve the purchase of Galston Surgery, by the Board, in the name of Scottish Ministers for the sum of £180,000.

- **Decision** – Reaching a conclusion after the consideration of options.

## **3. List of appendices**

Appendix 1 – Equality Impact Assessment - Purchase of Galston Surgery.

## 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](mailto:elaine.savory@aapct.scot.nhs.uk)

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

<b>Name of Policy</b>	Purchase of Galston Surgery		
<b>Names and role of Review Team:</b>	Claire McCamon – Senior Manager, Primary Care Greg MacKenzie – Property Transaction Manager	<b>Date(s) of assessment:</b>	12 <sup>th</sup> September 2024
<b>SECTION ONE                      AIMS OF THE POLICY</b>			
1.1. Is this a new or existing Policy : New _____			
Please state which:      Policy <input type="checkbox"/> Strategy <input type="checkbox"/> Function <input type="checkbox"/> Service Change <input type="checkbox"/> Guidance <input type="checkbox"/> Other <input checked="" type="checkbox"/>			
1.2 What is the scope of this EQIA?			
NHS A&A wide <input type="checkbox"/> Service specific <input type="checkbox"/> Discipline specific <input type="checkbox"/> Other (please detail) Property Acquisition _____			
1.3a. What is the aim? To approve the purchase Galston Surgery.			
1.3b. What is the objectives? To obtain the best price for the property and to keep GMS services within the Galston area.			
1.3c. What is the intended outcomes? To continue GMS Services without disruption to the Galston area.			

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

Patients in the area, as they will not have to travel further afield for GMS services. This would disproportionately affect those suffering as a result of inequality and where there are issues of ill-health related to diversity, such as the elderly, those with lack of mobility, and those who do not speak English as a first language /cultural barriers and people who have childcare responsibilities. In buying Galston Surgery, this will minimise these potential issues.

**1.5. How have the stakeholders been involved in the development of this policy?**

Primary Care to update this section

**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.)

The purchase will be in accordance with the NHS Scotland Property Transactions Handbook, Property Adviser, Special Adviser and Legal Advisers have produced reports to indicate the sale price in terms of best value to the Board.

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

The proposed acquisition of the property would be subject to the guidance set out in the NHS Scotland Property Transactions Handbook. The NHS Board have already appointed a Property Adviser, Special Adviser and Legal Advisers and they have produced reports to indicate the sale price in terms of best value to the Board.

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

Primary Care to update this section

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

The Market Value has been reported by the Property Adviser. Based on information from the market, the cost of purchase over the long term is more cost effective than purchase/leasing/fit out of a new property.

**1.7. What resource implications are linked to this policy?**

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



<b>SECTION TWO</b>	<b>IMPACT ASSESSMENT</b>
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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.**

<b>Equality Target Groups – please note, this could also refer to staff</b>
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	Positive impact	Adverse impact	Neutral impact	Reason or comment for impact rating
<b>2.1. Age</b> <ul style="list-style-type: none"> <li>• Children and young people</li> <li>• Adults</li> <li>• Older People</li> </ul>	✓			The alternative options make it more difficult to access GMS.
<b>2.2. Disability</b> (incl. physical/ sensory problems, learning difficulties, communication needs; cognitive impairment, mental health)	✓			The current Galston Surgery is compliant with the Equality Act, ensuring the building allows access for those with the issues highlighted. The alternative options make it more difficult to access GMS.

<b>2.3. Gender Reassignment</b>			✓	N/A
<b>2.4 Marriage and Civil partnership</b>			✓	N/A
<b>2.5 Pregnancy and Maternity</b>	✓			There would be greater difficulty in accessing GMS in another town or village.
<b>2.6 Race/Ethnicity</b>			✓	N/A
<b>2.7 Religion/Faith</b>			✓	N/A
<b>2.8 Sex (male/female)</b>			✓	N/A
<b>2.9 Sexual Orientation</b> <ul style="list-style-type: none"> <li>• Lesbians</li> <li>• Gay men</li> <li>• Bisexuals</li> </ul>			✓	N/A
<b>2.10 Carers</b>	✓			There would be greater difficulty in accessing GMS in another town or village.
<b>2.10 Homeless</b>	✓			There would be greater difficulty in accessing GMS in another town or village.
<b>2.12 Involved in criminal justice system</b>			✓	N/A
<b>2.13 Literacy</b>	✓			In the event services had to move and there was a choice of different locations to access services, literacy issues would make it very hard to find and travel.
<b>2.14 Rural Areas</b>	✓			There would be greater difficulty in accessing GMS in another town or village.

<b>2.15 Staff</b> <ul style="list-style-type: none"> <li>• Working conditions</li> <li>• Knowledge, skills and learning required</li> <li>• Location</li> <li>• Any other relevant factors</li> </ul>	✓			<p>Working conditions would remain unchanged, which is good as it provides certainty. To have all staff working in the same location allows the sharing of knowledge and information about patients.</p>
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**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
<b>Low income / poverty</b>	✓			<p>If you live in Galston, there would be an additional cost to access medical services in relation to travel.</p>
<b>Living in deprived areas</b>	✓			<p>If medical services move further from areas of social deprivation and income inequality there is both a financial and psychological barrier leading to poorer health outcomes.</p>
<b>Living in deprived communities of interest</b>	✓			<p>If medical services move further from areas of social deprivation and income inequality there is both a financial and psychological barrier leading to poorer health outcomes.</p>
<b>Employment (paid or unpaid)</b>	✓			<p>If you live in Galston, there would be an additional cost to access medical services in relation to travel.</p>

**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

<b>SECTION FOUR CROSSCUTTING ISSUES</b>				
<b>Will the proposal have an impact on the physical environment? For example, will there be impacts on:</b>				
	Positive impact	Adverse impact	No impact	Reason or comment for impact rating
4.1 Living conditions?			✓	N/A
4.2 Working conditions?	✓			Gives more certainty for staff working in Galston Surgery
4.3 Pollution or climate change?	✓			It will prevent additional journeys and promote active travel given the shorter distance for most patients.
<b>Will the proposal affect access to and experience of services? For example:</b>				
	Positive impact	Adverse impact	No impact	Reason or comment for impact rating

<b>Health care</b>	✓			As the surgery would be remaining in Galston then it would give better access to Health Care.
<b>Social Services</b>			✓	N/A
<b>Education</b>			✓	N/A
<b>Transport</b>	✓			By staying in Galston it would lead to fewer journeys.
<b>Housing</b>			✓	N/A

<b>SECTION FIVE</b>	<b>MONITORING</b>
<b>How will the outcomes be monitored?</b> The NHS Scotland Property Transactions Handbook has Post-Transaction Monitoring process.	
<b>What monitoring arrangements are in place?</b> The Property Adviser, Special Adviser and Legal Adviser sign off on the sale process during and after missives.	
<b>Who will monitor?</b> Head of Property Services, Strategy & Partnership will monitor the process and the Chief Executive will sign off once concluded.	
<b>What criteria will you use to measure progress towards the outcomes?</b> To complete the Property Transaction Monitoring Certification, which will be subject to audit by our external advisers.	
<b>PUBLICATION</b>	
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**

**Title**

**Signature**

**Date**

## 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:

