

# Case Study

Handing back and repurposing vacant space, generating £372,500 for reinvestment in the NHS

## SHAFTSBURY HOUSE LEEDS

### Background

#### Site:

former GP practice and health centre, and latterly operating as an office for Leeds Community NHS Trust before being announced surplus.

#### Customers:

- Leeds Clinical Commissioning Group (CCG)

#### NHSPS representatives:

- Daniel Burdett, Principal Property Manager
- Hanna Hardy, Senior Transaction Manager

### The Challenge

The former GP practice and health centre had been partially unoccupied for some time, and was deemed surplus to NHS requirements by Leeds CCG in November 2017. However, the empty site was still incurring costs (approximately £96,000 per year) to the CCG as rent, business rates and some services charges remained payable.

### The Solution

The CCG entered the site into the Vacant Space Handback Scheme, which allows Commissioners to reduce and remove running costs of space declared surplus. The CCG paid a final vacating payment, after which NHS Property Services (NHSPS) took on liability and set about repurposing the site.

It was decided that the best next step was to sell the surplus site, and the NHSPS Transaction team took over. After assessing the demand and value for the site, it was decided that the two sections (the existing building and vacant land, connected by a car park) held best value when packaged into one disposal. Given the nature of this site, which could appeal to a number of occupiers, it was originally valued at £200,000 - £300,000, but this was enhanced by the team undertaking due diligence and surveys as well as appointing the right agents. A pre-application was also prepared and submitted to Leeds City Council in support of a residential scheme, which was approved, enhancing the value further.

### The Result

Following the adoption of the Vacant Space Handback Scheme in March 2018 the CCG reduced their annual liability costs by 50 percent, paying a single payment of only £48,000 to officially vacate.

The disposal proceeds of the site were then enhanced by the due diligence, planning and surveys undertaken on the site, with NHSPS selling the site in March 2019 for £372,500, well above the original valuation.