

# Case Study

Refurbishing an at-risk site to deliver a modern healthcare centre, and gaining occupier support to restructure and renew a lease

## CATTERICK VILLAGE HEALTH CENTRE, YORKSHIRE

### Background

#### Site:

A small health centre in a rural community

#### Customers/stakeholders:

- Four NHS occupiers including:
  - Catterick and Colburn Medical Group (GP and main occupier)
  - Harrogate and District NHS Foundation Trust
  - South Tees NHS Foundation Trust
  - Tees Esk and Wear Valley NHS Foundation Trust
- Hambleton, Richmondshire and Whitby Clinical Commissioning Group (CCG)

#### NHSPS representatives:

- Thomas Britcliffe (Senior Portfolio Optimisation Manager)
- Louise Dickinson (Senior Property Manager)
- Martin Salmon (Senior Construction Manager)

### The Challenge

NHS Property Services (NHSPS) inherited this site, which had a legacy of underinvestment meaning that it was at risk of becoming un-fit for purpose and in urgent need of a new roof and windows.

The occupiers were understandably frustrated at the condition of the property, and were therefore refusing to pay the bills due. Substantial debt (circa £350,000) had accumulated against the property for three of the four occupiers.

Recovering this debt for the NHS was a particular challenge for NHSPS, as there was no formal lease in place with any of the tenants.

### The Solution

Working with the CCG, NHSPS offered its property expertise to review various options with the main occupier (the GP), but it was established that they wanted to remain on site. From this consultation, the NHSPS Portfolio Optimisation team developed three fuller options for review.

The GP – with the support of the CCG – agreed to take the whole of the Health Centre on a lease from NHSPS and then sub-let to the other occupiers. They would then work to clear the outstanding debt in return for NHSPS fully refurbishing the site, investing £800,000 to reconfigure the site and optimise it for patient experience.

A deep dive report into the debt is now being prepared to present to the GP, and a design team is being gathered to discuss the refurbishment work.

### The Result

NHSPS has collaborated with key stakeholders to find the correct solution for a property that was becoming un-fit for purpose and a potential reputational risk. **Investing £800,000** of NHSPS' capital scheme budget will bring the only health facility in a small rural community back up to a modern standard, further optimising the NHS estate.

Agreeing on a formal lease with the main occupier, which will run over approx. 20-25 years (to be confirmed), will provide a sustainable income stream of **£44,000 per annum for the NHS**, enabling re-investment into the estate. Clearing the substantial debt will also **recover £350,000** for the NHS.