

NHS GREATER GLASGOW AND CLYDE

**Minutes of the Meeting of the
Virtual Finance, Planning and Performance
Committee on Tuesday 23 January 2025
at 3.00 pm via MS Teams**

PRESENT

Ms Margaret Kerr (in the Chair)

Ms Mehvish Ashraf	Ms Lesley McDonald
Mr Martin Cawley	Mr Colin Neil
Cllr Chris Cunningham	Dr Paul Ryan
Mr David Gould	Mr Charles Vincent

IN ATTENDANCE

Mr Alan Bell	Property Disposals Manager
Ms Sandra Bustillo	Director of Communications and Public Engagement (until 3.30pm)
Ms Denise Brown	Director of Digital Services (until 3.30pm)
Dr Scott Davidson	Medical Director
Ms Kim Donald	Corporate Services Manager, Governance
Ms Christine Lavery	Chief Officer, Renfrewshire HSCP (until 3.30pm)
Mrs Anne MacPherson	Director of Human Resources and Organisational Development (until 3.30pm)
Ms Fiona McEwan	Assistant Director of Finance- Financial Planning & Performance
Mrs Louise Russell	Secretariat Manager (Minutes)
Professor Tom Steele	Director of Estates and Facilities
Professor Angela Wallace	Nurse Director (until 3.30pm)

		ACTION BY
01.	Welcome and Apologies	
	The Chair welcomed those present to the virtual meeting of the Finance, Planning and Performance Committee.	
	Mr Alan Bell from Scottish Futures Trust, who had been seconded as Property Disposals Manager to assist the Board with the process, and was in attendance to answer questions was welcomed to the Committee.	

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	Apologies were noted on behalf of Dr Lesley Thomson KC, Ms Ketki Miles and Ms Michelle Wailes.	
	<u>NOTED</u>	
02.	Introductory Remarks	
	There were no remarks noted.	
	<u>NOTED</u>	
03.	Declaration(s) of Interest(s)	
	The Chair invited members to declare any interests in any of the matters being discussed. There were no declarations of interest.	
	<u>NOTED</u>	
04.	Dykebar Hospital Disposal	
	<p>The Committee considered the Dykebar Hospital Disposal [Paper 25/01], and 4 Appendices, were presented by the Director of Estates and Facilities, Professor Tom Steele, for approval.</p> <p>The paper was initially considered by the Committee at the meeting on 10th December 2024 and it was agreed that a decision would be deferred, and the paper would be reviewed to include the further detail that had been requested.</p> <p>Professor Steele reported that following a service review in 2017, the majority of the site was declared surplus to operational requirements, whilst retaining a number of buildings to deliver specific core clinical and non-clinical activity.</p> <p>Professor Steele provided a brief overview of the paper, highlighting in particular the governance that was in place. Due to the complexity of the project, Independent Advisors and a Property Adviser had been appointed, and Aecom had been providing technical adviser services in relation to the development of the site. The paper also provided an overview of the role of the External Advisors and the advice received. It was noted that internal audit routinely review such transactions and will action when the transaction is complete.</p> <p>The paper provided an overview of the size and scale of the plan. The site was marketed for sale in July 2017 and a consortium of house builders were identified as the preferred bidder. The headline bid price</p>	

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	<p>of circa £35 million was subject to deductions, resulting in an anticipated minimum net receipt of approximately £9m - £10 million. Since this initial offer, the sale process encountered various delays due to external factors, including Brexit, the COVID-19 pandemic, a planning application process with Renfrewshire Council and a Scottish Government appeal that had been upheld. Professor Steele reported that market conditions had improved and subsequently through a renegotiation and increased projected capital receipt to £13.6 million had been agreed, reflecting the consortium's adjusted bid and escalated land values in the area since the initial 2017 proposal.</p> <p>The Committee noted that the capital receipt would be paid in two tranches of £8.16 million and £5.44 million respectively, with an initial payment at date of entry in March 2025 and the balancing payment following in September 2026. The entire receipt could be accounted for in the 2024/25 financial year. The Committee received assurance that dialogue had taken place with the Scottish Government to retain funding.</p> <p>The Committee discussed the expectation if there were any abnormal costs related to the development of the site and noted that a review of the overall costs had been undertaken by Aecom. It was noted that the proposed deductions mostly remained unchanged from the original contracted position. The Committee noted that earthwork removal/reshaping remained the largest cost. To obtain assurance on the valuations, the property advisor and independent valuer undertook an evaluation, including a review of market conditions and similar market transactions, and confirmed to the Board that the figures provided an acceptable value for a transaction of this nature, therefore the Committee received assurance that all costs were captured.</p> <p>The Committee discussed the impact and risks of going back to market against accepting the guaranteed amount of £13.6m. It was noted that market conditions had undoubtedly created a favourable environment for maximising the receipt, and the commitment of the consortium reduced the risk of transaction failure. The Committee noted that since 2017, there had been changes in planning legislation, with the introduction of National Planning Framework 4, which would have to be taken into account.</p> <p>In response to a question regarding whether the impact on the community was considered in decision making, for example affordable housing, the Committee noted as part of the planning appeal process that there was an element of low-cost units included in the plans.</p> <p>The Committee noted a typing error at section 4.1 of the Avison Young report, in relation to the value per acre, however noted that it had no impact on the overall recommendations.</p>	

			ACTION BY
	<p>The Committee discussed the nature of the engagement of the advisers, the cost and whether there were any government recommendations that had to be adhered to. The Committee received an update on the cost and the role of the advisors and noted that appointments were market tested. The Committee noted that the pre cost was included in previous financial years.</p> <p>In response to a question regarding whether there was any risk to the second tranche of funds, the Committee received assurance that the sum of £13.6m had been guaranteed. The Committee noted that an overage agreement was considered not appropriate due to the additional uncertainty of value and timing of cash receipt that this would bring.</p> <p>The Committee noted that the additional level of reporting to the Committee reflected the level of assurance that was required for good governance over a large transaction. The Committee received assurance that going forward, written assurances would be provided earlier in the process.</p> <p>Following consideration, the Committee were content to approve the paper.</p> <p><u>APPROVED</u></p>		
05.	Date and Time of Next Scheduled Meeting		
	The next meeting would be held on Tuesday 11 February 2025 at 9.30 am via MS Teams.		