

Report title	Disposal of Egham Hythe Centre
Report author	Darren Williams, Corporate Head of Community Services
Department	Community Services
Exempt?	No

Purpose of report:

- **To resolve**

Synopsis of report:

The future use of Egham Hythe Centre has been a focus of consideration within the Community Services Service Area Plan for the past three years. Discussions were previously held via the (now ceased) Health and Wellbeing Member Working Group relating to an idea for a hub model of service delivery, as a replacement for the current offer of hireable community space. Included within the concept of a hub, was improved health infrastructure. This primarily reflected a larger, improved primary care facility, replacing the current surgery, located in a portacabin at the rear of Egham Hythe Centre.

Since this time, work has continued, however discussions with partners on possible future opportunities have been slow, whilst the financial position of the Council, and the priority of addressing this, has resulted in officers having to consider the most viable option for the delivery of any future project/facility, involving Egham Hythe Centre.

This report provides a summary of the point to which discussions have reached, outlines the potential opportunity that is available to the Council in relation to Egham Hythe, and seeks a decision from Members, as to whether they support the potential disposal of Egham Hythe Centre, and therefore, for officers to continue negotiations with PRIME PLC, as intended purchaser.

Recommendation(s):

- 1. Members agree in principle to the sale/disposal of Egham Hythe Centre and agree to the continuation of formal discussions regarding the potential sale of Egham Hythe Centre, with PRIME PLC, and working with NHS partners**

1. Context and background of report

- 1.1 The future use of Egham Hythe Centre has been a focus of consideration within the Community Services Service Area Plan for the past three years, with discussions held via the now ceased Health and Wellbeing Member Working Group relating to a

hub model of service delivery, as a replacement for the current offer of hireable community space.

- 1.2 Included within the concept of a hub, was improved health infrastructure, primarily, a larger, improved primary care facility, replacing the current surgery, located in a portacabin at the rear of Egham Hythe Centre.
- 1.3 During the period that has passed, progress in realising a concrete plan for the use of Egham Hythe Centre has been slow, for several reasons, however more recently progress has been made by officers in discussion with NHS partners on the viability of enhanced facilities in Egham Hythe ward, with the Hythe Centre at the centre of this opportunity.
- 1.4 The financial position of the Council has meant that whilst different options for possible delivery of a community hub have been considered, the Council is not in a position to afford to deliver enhanced facilities within current building ownership arrangements, with a lease to NHS partners, due to the affordability of ongoing maintenance of the building, decarbonisation of the building and also the required works and fit out costs to provide the shell of enhanced primary care facilities. As a result, this report outlines the discussions to date in the context of the potential sale of Egham Hythe Centre.

2. Report and, where applicable, options considered and recommended

- 2.1 In setting the current Corporate Business Plan and associated strategies, in 2021, action plans were developed that form the basis of Service Area Plans within each of the business units. Since 2021, included within the Community Services Service Area Plan, which links primarily with the Council's Health and Wellbeing Strategy, has been the objective titled "Egham Hythe Centre Community Hub – Viability" (HWB022). The detail of the objective as included within the service area plan was *"to support work relating to determining the viability of a community hub at Egham Hythe Centre, working in partnership with Egham Hythe GP practice."*
- 2.2 Work relating to this objective has been slow since the identification of this as an objective for the Council, for a number of reasons, including, the variety of NHS partners that have been engaged with over the project, and the lack of one confirmed strategic position or lead for any discussions (until now), changing priorities within the Council affecting resource availability to take forward a major project, and most recently, the change in priority relating to Council finances, resulting in a change of possible approach relating to the above objective.
- 2.3 However, over the past year discussions have been able to be restarted, initially through the North West Surrey Alliance Property Strategy Group, looking at future requirements for facilities across north west Surrey. This strategic work stream focuses on both the replacement of older/inadequate facilities used by NHS services currently, and future facilities as enablers to their Integrated Neighbourhood Teams model and the intention to move to delivery of services within communities.
- 2.4 Part of these considerations have included the GP practice at Egham Hythe, currently located behind Egham Hythe Centre, in a portacabin building that is widely accepted as being insufficient in size and quality, to deliver the current and future requirements of Primary Care.

- 2.5 Given the long-established objective of the Council, discussions exploring the art of the possible, have been held relating to Egham Hythe Centre with the place lead for the NW Surrey Alliance, the Partners at Egham Hythe Practice and PRIME PLC, property partners of the North West Surrey Health Alliance, to discuss opportunities to enhance facilities in Egham Hythe.
- 2.6 A thorough review of options for the use of Egham Hythe Centre has been conducted. It is clear that retaining the asset is not a viable option. The most practical, cost-effective and sustainable approach identified is through the sale of Egham Hythe Centre, for the delivery of health services, and other services for the community.
- 2.7 Other options have been considered, including the Council retaining ownership of the building and leasing space to NHS/Egham Hythe Practice, amongst them. This was the initial concept worked up by officers across Community Services and Assets & Regeneration previously, which was discussed with initial design ideas, at meetings of the former Health and Wellbeing Member Working Party.
- 2.8 However, this approach is discounted now, due to its financial viability, specifically the level of significant investment that would be required by the Council in the maintenance and upgrading of the building (including decarbonisation), and the fit out of the building for future use by NHS services, which was understood to be a liability of the Council in such a model. This was unaffordable against the upfront expenditure requirements of the Council, and the length of time it would likely take for the Council to realise a financial return on the investment made.
- 2.9 Building on positive discussions to date, it is now essential to progress towards a final determination regarding the viability and willingness of PRIME PLC, property partners of the North West Surrey Alliance to purchase the Egham Hythe Centre and the Council's readiness to sell the asset in line with the Council Asset Management Strategy. This report is presented to members seeking their support for officers to progress toward the potential sale of the Egham Hythe Centre
- 2.10 Officers recognise that Members would require greater information than this report provides, to make a final decision as to whether they agree to selling the Council's asset, and therefore at this stage support for the overarching principle of divesting of Egham Hythe Centre is sought. This will allow for continued dialogue and negotiation with PRIME PLC, the intended purchaser of the property, together with associated NHS partners.
- 2.11 Should discussions establish that a sale of the asset is a suitable way forward for all parties, a further report, providing full detail on the conditions, valuations and impact of the sale will be brought to members for a final decision to be made. A summary of intended use by NHS partners, given the focus on retaining the use of the asset, even in the event of its sale, for wider community benefit in Egham Hythe would also be provided.
- 2.12 The potential implications of selling Egham Hythe Centre for both the Council and the community have been identified and are being actively reviewed by officers. These include:
- The potential loss of a business continuity site in the event of a significant issue with the Civic Centre
 - The loss of disaster recovery site for Community Alarm monitoring functions

- Reduced community space for Egham Hythe and the wider borough
- The loss of a rest centre or evacuation site in the event of a borough emergency
- The need to identify a replacement venue for polling stations in Egham Hythe

These implications along with proposed mitigation measures will need to be fully addressed in any future committee report regarding the potential sale of the asset. This would follow further discussions with PRIME to determine the viability of such a sale

3. Policy framework implications

- 3.1 In relation to Egham Hythe Centre, the Empowering Communities Strategy committed the Council to reviewing its community assets and to optimise usage to meet a variety of community needs and interests. The review of Egham Hythe Centre and the potential to repurpose the building to create enhanced primary care facilities, meets this action.
- 3.2 The Council's Health and Wellbeing Strategy sets out the priority of supporting healthy communities, and the potential opportunity in relation to Egham Hythe Centre, supports this priority.
- 3.3 The work to date, relating to Egham Hythe Centre, is included as an objective in the Community Services Service Area Plan, whilst as part of the corporate service review programme, the future use of Egham Hythe Centre would be included within the review of community buildings owned by the Council.
- 3.4 Any potential sale would follow the principles outlined in the Asset Management Strategy 2023-2028

4. Resource implications/Value for Money

Financial Implications

- 4.1 The current capital programme as set out in the Medium-Term Financial Strategy (MTFS) reported to this committee in October shows that Capital Receipts are due to run out in 2027/28 with only £2m of usable receipts in hand at the start of that year. The generation of new capital receipts are limited to sales of non-investment property assets and cannot be guaranteed. There are currently no such asset sales in the capital programme and the potential sale of Egham Hythe Centre would produce a capital receipt to help fund future capital projects.
- 4.2 No formal decisions have been made regarding any potential sale of this site and therefore no capital receipts, or potential revenue savings have been included in the MTFS. If members agree to the in-principle sale of this site all financial implications relating to this will be included in a future report to committee.
- 4.3 This will include detail relating to the valuation of the asset and the viability of the proposed scheme.

Human Resource Implications

- 5.1 The workforce implications of selling a council building are associate with those employees who work from this base or whose work is diminished or changed because of the building being sold. Should the proposal to sell the property be approved the

change affecting employees would need to be scoped and formally consulted on; with the employees affected and with the Council's recognised Trade Union, UNISON. Specific details of how the change would affect individual employees is not at this stage known, once established the consultation process would be managed in accordance with the Council's Employment Stability Policy.

- 5.2 Informal briefings have been undertaken with directly affected employees ahead of this report being published to ensure that employees are aware of the potential considerations of the sale of the property and the potential for change.
- 5.3 The recognised Trade Union, UNISON has been written to, to advise of the potential for change relating to the workforce that support the centre.

6. Legal implications

- 6.1 Local authorities are given powers under section 123 Local Government Act 1972 (LGA 1972) to dispose of land in any manner they wish, including sale of their freehold interest, granting a lease, or assigning any unexpired term on a lease, and the granting of easements. The only constraint is that a disposal must be for the best consideration reasonably obtainable (except in the case of short tenancies), unless the Secretary of State consents to the disposal.
- 6.2 The purpose of section 123 LGA 1972 is to ensure, so far as reasonably possible, that public assets are not sold by public authorities at an undervalue, save, if at all, with the consent, general or specific, of the Secretary of State.

7. Equality implications

- 7.1 An Equalities Impact Assessment would need to be undertaken, in relation to the sale of Egham Hythe Centre. This would be presented as part of a further report, should members be asked to determine whether to proceed with the sale of the asset.

8. Risk implications

- 8.1 The potential use of Egham Hythe Centre to provide much needed replacement health facilities to the local community offers significant local benefit. The divestment of the asset by the Council reduces on-going financial commitments to the Council in terms of maintenance and repair, utility costs and other building costs. The potential loss of community space may be mitigated through securing this need elsewhere and / or through the possible continued use of part of the centre as a hireable community venue. This will continue to be explored as part of the project, engaging with regular hirers at an appropriate time
- 8.2 Future reporting will cover the conditionality of the sale to ensure that the building is retained primarily for health use.

9. Environmental implications

- 9.1 Any environmental implications will be fully explored and reported to members as part of the future report once the proposal is fully developed.

10. Consultation

10.1 PRIME will carry out appropriate community consultation as part of any necessary planning application. As mentioned in section 5.0, consultation with Runnymede staff will also be undertaken in line with Council policy, as the proposals are developed.

11. Timetable for Implementation

11.1 There is no agreed timetable for the sale of Egham Hythe Centre, however, PRIME PLC and officers are keen to continue with discussions and associated work, to determine whether a sale/purchase of the property is viable. Clearly there are dependencies on both PRIME and the NHS and it is therefore difficult to set out a clear timescale at this time. A further report to committee will be brought forward in due course for consideration regarding any final decision on the sale of the property.

12 Conclusions

12.1 This report summarises the work that has been undertaken to date, to fulfil the objective set as part of the Corporate Business Plan and associated Community Services Service Area Plan, to determine the future use of Egham Hythe Centre to realise improved NHS facilities, in particular Primary Care facilities, to the benefit of residents of Egham Hythe.

12.2 Members are asked to consider the potential sale of Egham Hythe as a viable means to realise long-term benefits for residents through enhanced services and facilities. This report seeks member approval for officers to continue to work with PRIME, and report back to committee with full details should it prove that a sale for the purpose of delivering improved primary care from the site be possible.