



EXECUTIVE MEMBER DECISION

REPORT OF: Executive Member for Finance and Governance,
Executive Member for Growth and Development

LEAD OFFICERS: Strategic Director of Place

DATE: 11th May 2022

PORTFOLIO/S AFFECTED: Growth and Development

WARD/S AFFECTED: Mill Hill and Moorgate

SUBJECT: Disposal of Griffin Lodge for a new Healthcare Facility

1. EXECUTIVE SUMMARY

1.1 To seek approval to agree sale of Griffin Lodge, Coach House and associated land to Assura Plc, a leading healthcare real estate company.

2. RECOMMENDATIONS

That the Executive Members:

2.1 Approve the disposal of Phase 1 and the granting of an option for Phase 2.

2.2 Authorise the Strategic Head of Service, Legal and Governance to complete the necessary legal formalities.

2.3 Delegates authority to conclude negotiations, including heads of terms, red line boundary plans, disposal contracts and phase 2 of the project, to the Growth Programme Director in consultation with the Executive Members for Finance and Governance and Growth and Development to approve the final terms.

3. BACKGROUND

3.1 Griffin Lodge is a grade 2 listed early 19th century mansion house with ancillary coach house located within a public park in the Griffin conservation area of Blackburn.

3.2 The buildings have been vacant since July 2006, when North West Museums and Art Gallery Service ceased its occupation.

3.3 The buildings were previously marketed for sale by the Council and a deal was provisionally agreed, however, an arson attack in 2013 caused major damage to the fabric of the buildings, preventing the deal from concluding.

3.4 Whilst vacant, the condition of the buildings deteriorated, with significant levels of dry rot identified and condensation throughout the main lodge building. A second arson attack took place in 2013 leaving the remains of the building in a very poor state. This limited the reinstatement options available for the Council and with the historic properties in such disrepair they represent a significant liability for the Council.

Healthcare Requirement

3.5 In 2018, 3 local GP practices (Limefield, Redlam and Witton) approached the Council with a precursory proposal to acquire the ruined building for redevelopment for use as a primary care facility.

3.6 In 2020, Assura PLC, a real estate investment trust specialising in healthcare premises, was procured by the 3 GP practices and the local Clinical Commissioning Group (CCG) to deliver the proposed redevelopment scheme on their behalf.

3.7 An outline business case has now been prepared by Assura, for approval by the GPs and CCG. The business case relies upon the joint GP practices entering into an unconditional agreement for lease.

Redevelopment Proposals

3.8 Phase 1 of the redevelopment includes restoration, refurbishment and extensions to Griffin Lodge for use as a primary care centre including associated external works, car parking, and vehicular and pedestrian access. Phase 2 redevelopment will incorporate the former coach house, details of which are yet to be considered.

Terms of Disposal

3.9 A plan is attached showing the land boundary to be transferred as Phase 1 and Phase 2.

3.10 An independent valuation has been commissioned and received, which confirms that the land receipt for Phase 1 disposal represents best consideration for the Council.

3.11 Terms have been provisionally agreed for the transfer of Phase 1 land and buildings to Assura PLC, subject to approval of the final business case by the GPs and CCG. This approval is expected around April 2022. The transfer will include an ongoing obligation for the Council to treat identified Japanese knotweed until eradicated or alternatively remove and dispose to a waste centre.

3.12 Assura shall have the benefit of an exclusivity option for two years over Phase 2, commencing upon the transfer of the Phase 1 land. The value of the Phase 2 land and property will be agreed between the parties following further surveys.

4. KEY ISSUES & RISKS

4.1 Griffin Lodge and Coach House now represent a significant liability to the Council, with limited reinstatement options.

4.2 The combined proposal from Assura PLC, the GPs and the CCG will provide the residents of Blackburn with access to effective care and increased provision of clinical services out of hospital. This will in-turn help to reduce unplanned admissions to acute services and enables further integration, collaboration, and the co-location of GP services. It will also save and restore an important historic building with heritage significance to the borough.

4.3 The disposal figure has been independently verified by an appropriately qualified and experienced Registered Valuer.

5. POLICY IMPLICATIONS

5.1 The disposal method accords with the Council's approved policy for disposals

6. FINANCIAL IMPLICATIONS

6.1 The Council will receive a nominal receipt in lieu of the significant development challenges due to the building condition caused by the fire.

6.2 If the exclusivity option is triggered, the Council may receive a future capital receipt to be agreed or have the opportunity to co-invest in the Phase 2 development.

6.3 If the disposal does not proceed, the Council will retain a liability asset with its associated ongoing maintenance and future reinstatement costs.

7. LEGAL IMPLICATIONS

7.1 The disposal method complies with the Council's legal obligations for such transactions and with the Council's disposal policy.

7.2 At least part of the proposed disposal will be land forming open space and so will need to follow the advertising and response process under s123(2A) of the Local Government Act 1972.

8. RESOURCE IMPLICATIONS

8.1 Legal and surveyor resources will be required to complete the transaction

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

10.1 The proposal has been subject to consultations between Council Officers, Executive Members, and Legal and Planning departments.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

VERSION:	1
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CONTACT OFFICER:	PMO Growth
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BACKGROUND PAPER:	
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