

Cabinet

7 December 2021

South Walks House – Options for Future Use

For Decision

Portfolio Holder: Cllr T Ferrari, Economic Growth, Assets & Property

Local Councillor(s): Cllr Andy Canning, Cllr Les Fry

Executive Director: J Sellgren, Executive Director of Place

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Report Status: Part Exempt

Recommendation:

That Cabinet:

- i) Agree that Dorset Council should grant a 20-year lease to Dorset National Health Service (NHS) institutions for use of South Walks House for clinical and office use on terms to be agreed by the Executive Director for Place in consultation with the Cabinet Portfolio Holder for Economic Growth, Assets and Property.
- ii) Note that the governing boards of the various NHS institutions planning to move into South Walks House will be making their decisions in February and March 2022.
- iii) Agree that officers should immediately commence discussions to proceed with the second-ranked option should the NHS institutions decide not to proceed with the lease or are unable to come to a decision by the 31 March 2022.

Reason for Recommendation:

The investigation into and analysis of options for the future use on South Walks House has been detailed and exhaustive. This has involved taking advice from specialist consultant firms on each of the options considered and assessing and ranking the options to establish which one would be the most financially advantageous to the Council after also taking into consideration the

wider economic and social benefits of the recommended option. It is believed that the proposed use by the NHS for a combination of clinical and office purposes, which provides a central and easily accessible location for the NHS, allows it to widen its service provision for Dorset's residents, whilst providing the best financial return to the Council.

1. Executive Summary

The Cabinet agreed an office strategy for Dorchester at its meeting of the 6 April 2021, which included the principle of consolidating most of the Council's office requirements at the County Hall Campus site. This decision made South Walks House and some other offices in the town surplus to the Council's requirements.

Regarding South Walks House, Cabinet requested that in addition to seeking planning permission for residential use, further exploration and investigation of alternative uses be undertaken.

The outcome of these further investigations is set out in this report. This has involved establishing a shortlist of options for detailed appraisal against criteria considered important for this decision. The criteria used – financial evaluation, economic impacts, and time are consistent with the Council's priorities of Economic Growth, Strong and Healthy Communities and its core values of spending time and money wisely. The four shortlisted options are:

- Disposal for a capital receipt
- Use of South Walks House by a group of NHS organisations for clinical and office use
- Conversion by the Council as private rented residential accommodation
- Conversion for hotel use

This report recommends use by NHS organisations as the best outcome of the options assessed as it provides both the best social and economic impact as well as the best financial return to the Council.

Details of the options appraisal undertaken for this report are set out in the confidential report attached as Appendix 1.

2. Financial Implications

Financial performance was given the greatest weighting out of the evaluation criteria used for assessing the options. The financial implications of each of the assessed options are detailed in the report. The Council currently incurs approximately £316,000 per year while the building remains unoccupied in rates and running costs. The ability to transfer responsibility for the building to a third party not only saves the current budget expenditure but also will bring additional income into the Council's budget.

3. Well-being and Health Implications

This report recommends that South Walks House should be leased to the NHS organisations that are proposing to use it to expand clinical capacity in Dorset. In addition to the direct health benefits this additional capacity brings, the economic impacts will also contribute to general well-being of the community.

4. Climate implications

The Council has declared a climate and ecological emergency and is committed to taking direct action to reduce the negative environmental impact of our services.

The recommended option retains use of the existing building, which contributes to overall sustainability. In addition, South Walks House is a relatively new building which was designed and built as a sustainable building that integrates passive design with low energy technologies. The mechanical and electrical services installations maximise natural ventilation, natural day lighting and minimise energy consumption and the associated production of CO2 emissions.

5. Other Implications

Establishing a beneficial and sustainable long-term use for South Walks House is one of key objectives of the Dorchester Office Strategy, aimed at consolidating and making the most efficient use of the Council's office buildings.

6. Risk Assessment

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: Moderate

Residual Risk: Moderate

7. Equalities Impact Assessment

Equality impact assessments (EqIA) ensure that a policy, project, scheme or service does not discriminate against anyone and where possible equal opportunity is promoted. They enable us to consider the likely impact on different groups of people as required by legislation.

A draft EqIA for the future use of South Walks House is attached at Appendix 2. This is an initial high-level review covering all options. A more detailed assessment will be required as the project progresses.

The four options are judged mainly to result in neutral impacts with regards protected characteristics and other groups.

Potential positive impacts are identified in relation to all four options regarding socio-economic deprivation.

Additionally, option 2 (clinical/office space for the NHS) may result in some positive impact on certain groups relating to waiting times for treatment

8. Appendices

Appendix 1 – Options Appraisal (Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local government Act 1972)

Appendix 2 - Draft Equalities Impact Assessment

Appendix 3 - Sibbett Gregory Office Review (Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local government Act 1972)

Appendix 4 – Savills Review of Care and Retirement (Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local government Act 1972)

Appendix 5 – Economic Impact Analysis (Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local government Act 1972)

Appendix 6 – Weighted Ranking assessment of Options (Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local government Act 1972)

Appendix 7 – Savills Review of Residential Development Option (Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local government Act 1972)

Appendix 8 – Knight Frank Hotel Update Report (Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local government Act 1972)

9. Background Papers

Property Strategy and Asset Management Plan 2020-2024
Dorchester Office Strategy – Cabinet Report 6 April 2021

Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.