

Report No.

London Borough of Bromley

**PART 1**

---

**Decision Maker:** **EXECUTIVE**

**Date:** 17 May 2023

**Decision Type:** Non-Urgent Executive Key

**Title:** **Bromley Town Health and Well Being Centre update**

**Contact Officer:** Michael Watkins, Assistant Director Strategic Property  
Tel: 020 8313 4178 E-mail: Michael.watkins@bromley.gov.uk

**Chief Officer:** Director of Housing, Planning, Property and Regeneration

**Ward:** Bromley Town

---

**1. REASON FOR REPORT**

- 1.1 This report provides Members with an update to the provision of a new Health and Well Being Centre (HWBC) by the NHS South East London Integrated Care System (ICB) in Bromley Town Centre.

---

**2. RECOMMENDATION(S)**

- 2.1 Members are recommended to note the contents of this report.

## Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
- 

## Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Excellent Council
- 

## Financial

1. Cost of proposal:
  2. Ongoing costs:
  3. Budget head/performance centre:
  4. Total current budget for this head:
  5. Source of funding:
- 

## Personnel

1. Number of staff (current and additional): Not applicable
  2. If from existing staff resources, number of staff hours: Not applicable
- 

## Legal

1. Legal Requirement: Statutory Requirement
  2. Call-in: Applicable
- 

## Procurement

1. Summary of Procurement Implications: Not applicable
- 

## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
- 

## Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes – however as this report was commissioned on 4 May and released on 9 May Ward Councillors have only been asked for comments at short notice.
2. Summary of Ward Councillors comments: Ward Councillors comments will be reported to Members at ERC PDS and the Executive when this paper is scrutinised and discussed.

### 3 COMMENTARY

- 3.1 Members will recall that previous Executive decisions were made to enable a HWBC to be provided for via a long lease of the Council's property known as the Adventure Kingdom Building at the Civic Centre.
- 3.2 The intention was that the Council would undertake works to facilitate the redevelopment of this site with the ICB providing funding via an NHS Section 2 Agreement which in effect is similar to a Development Agreement underpinned by an Agreement to Lease.
- 3.2 As the scheme developed in viability stages it became apparent that construction cost inflation would severely impact on the scheme and the ability to deliver on time due to other constraints was creating moving the scheme into an ever increasing risk rating where mitigation was becoming economically unviable.
- 3.4 Consequently Officers and colleagues from the ICB began to consider alternatives.
- 3.5 Members will also be aware that since September 2022 the Council has been pursuing the acquisition of Churchill Court, the former Corporate Head Quarters of the Direct Line Insurance Group, in Bromley Town Centre.
- 3.6 Authority to purchase this building was given by Full Council in December 2022. Contracts for the purchase have recently been exchanged with completion anticipated within the next three months.
- 3.7 Churchill Court provides accommodation which is larger than the Council's needs and already houses a number of income producing tenants. Part of the overarching business case for the purchase was that surplus space not required for Council purposes could be leased to third party companies or organisations.
- 3.8 The decision was also made at Full Council in December 2022 to dispose of the Civic Centre site once staff and operations have vacated and moved to Churchill Court.
- 3.9 Consequently the opportunity to accommodate the HWBC at Churchill Court was progressed by Officers and colleagues from the ICB as an alternative location.
- 3.10 The costs incurred by the Council in pursuing the Adventure Kingdom site redevelopment were underwritten by the ICB and consequently by no longer progressing with this option there is no loss to the Council in respect of costs incurred.
- 3.11 After initial architectural input confirmed that the HWBC would fit it became apparent that there were significant advantages to both the Council and the ICB in progressing this new option. These are summarised below.
- i. Since exchanging contracts for the purchase of Churchill Court the Council now has a definitive offering of space for the HWBC.
  - ii. The space at Churchill Court is empty and at completion will be handed over with vacant possession.
  - iii. Located with the core Town Centre it is closer to the existing Dysart Practice.
  - iv. Initial architectural input has concluded that the fit out will be relatively straight forward with minimal Planning risk – the works will be primarily concerned with changing office use to that of a HWBC.
  - v. Therefore, the works element is based on internal fit out as opposed to construction.
  - vi. This will result in a far faster delivery of the HWBC for the Town Centre.

- vii. The leasing of space for the HWBC places the relationship between the Council and ICB into a normal Landlord and Tenant one – whereby an Agreement to Lease mechanism will be entered into.
- viii. The Lease will be based on a market rent secured for 25 years with, in effect, a Central Government covenant. Running costs will be recovered via a service charge arrangement.
- ix. The Council will undertake the necessary fit out costs on behalf of the ICB with funding agreed through ICB.
- x. That the disposal value of the Civic Centre will be enhanced by the inclusion of the Adventure Kingdom site.

3.12 Commercial negotiations have commenced with the ICB based on a market rent and once the cost of the fit out is clarified a further report will be submitted to the Executive to provide details of the Agreement to Lease and the arrangements for how the ICB will provide funding for the Council to undertake them the agreed fit out works.

3.13 A further report as to the costs of the staff move and associated works to alter Churchill Court for Council purposes will be taken to the Executive and is scheduled for September 2023. The commercial negotiations will have been finalised at the point and consequently that report will provide members with a detailed overview of the various income streams associated with the third party letting at Churchill Court.

#### **4 IMPACTS ON VULNERABLE ADULTS AND CHILDREN**

4.1 There is not considered to be an impact on Vulnerable Adults and Children because of this decision – other than the provision of a new HWBC in the Town Centre will greatly improve the primary care offering to all residents.

#### **5 POLICY IMPLICATIONS**

5.1 It is essential that the Council manages its assets to meet the Council's aims and objectives.

#### **6 FINANCE IMPLICATIONS**

6.1 A further report as to the costs of the staff move and associated works to alter Churchill Court for Council purposes will be taken to the Executive and is scheduled for September 2023. The commercial negotiations will have been finalised at the point and consequently that report will provide members with a detailed overview of the various income streams associated with the third party letting at Churchill Court.

#### **7 PROCUREMENT IMPLICATIONS**

7.1 At this stage there are no Procurement implications however the report as to the costs of the staff move and associated works to alter Churchill Court for Council purposes will be taken to the Executive and is scheduled for September 2023. That report will contain appropriate recommendations as to the procurement of various work packages which will include fit out works for the HWBC.

#### **8 LEGAL IMPLICATIONS**

8.1 Property Disposals

8.2 Local Authority Powers

s.111 Local Government Act 1972

- 8.3 The Council has power to do anything calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions
- 8.4 The intended proposals do dispose in this report would be effected pursuant to that statutory power.'
- 8.5 General Power of Competence
- 8.6 Disposal of land
- 8.7 If the intended proposal to dispose where to proceed Local authorities have power under s.123 of the Local Government Act 1972 to dispose of land for best consideration that can reasonably be obtained (usually based on open market value).
- 8.8 s.128 of the Local Government Act 1972 confers power to the Secretary of State to give general consent for the purposes of land disposals by local authorities carried out under their powers in Part 7 of the 1972 Act.

<b>Non-Applicable Sections:</b>	HR,
Background Documents: (Access via Contact Officer)	