

Date: 19 October 2023

Our ref: NMCC/NS/_CATStratheden

Enquiries to: Neil McCormick

Telephone: (01592) 643355 | Email: neil.mccormick@nhs.scot

Ms Brown



Dear Ms Brown

**Asset Transfer Request under the Community Empowerment (Scotland) Act 2015
("the Act")
Decision Notice - Agreed
Date of Notice – 19 October 2023**

This Decision Notice relates to the Asset Transfer request made by Lucky Ewe on 22 November 2021 in relation to land at Stratheden Hospital and the former mortuary building, Springfield, Cupar, Fife.

NHS Fife has decided to agree to the request.

The reason for my decision is as follows:

- The application has been the subject of a successful appeal.

The attached document specifies the terms and conditions subject to which we would be prepared to lease the land and the former mortuary building to you. If you wish to proceed, you must submit an offer to us at the address above by 19 April 2024 (6 months from date of notice). The offer must reflect the terms and conditions attached, and may include such other reasonable terms and conditions as are necessary or expedient to secure the leases within a reasonable time.

Right to Appeal

If no contract is concluded for the leases of the assets within the required period under section 83(7) of the Act, an appeal can be made to the Scottish Ministers under section 90 of the Act to the below address:

The Scottish Ministers

Scottish Government
St. Andrew's House
Regent Road
Edinburgh
EH1 3DG

Guidance on making an application for review/appeal is available at:
[Asset transfer: summary guide - gov.scot \(www.gov.scot\)](http://www.gov.scot/asset-transfer-summary-guide)

Yours sincerely

Neil McCormick
Director of Property & Asset Management

Enc

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Appendix

Terms & Conditions of Asset Transfer: Stratheden Hospital, Springfield, Cupar, Fife

1. The site will be returned to NHS Fife with vacant possession at the end of the 25-year lease period.
2. Rent reviews will take place in eight years' time and at subsequent points to be agreed between NHS Fife and Lucky Ewe before the commencement of the lease.
3. NHS Fife has a right to irritate the lease if Lucky Ewe does not take reasonable steps to remedy a breach of the lease conditions.
4. NHS Fife shall not be responsible for repairs to fixed equipment such as fences, walls and gates.
5. If Lucky Ewe fails to meet its objectives for use of the site (to be agreed between the landlord and tenant before commencement of the lease), it shall pay the difference between the discounted rent and market rent for the year or years when that failure occurs.
6. If Lucky Ewe seeks to use the site, in whole or part, for uses other than the use intended in the lease, that area of the site affected shall revert to NHS Fife with vacant possession, unless a separate agreement permitting the alternative use is reached between the landlord and tenant.
7. No sub-lease of the site for approved uses shall be entered into other than with the prior written agreement of NHS Fife.
8. No organisations other than Lucky Ewe shall be involved in the operation of the site, other than with the prior written agreement of NHS Fife.
9. Area 26 shall revert to NHS Fife if required for the development of health services, subject to a period of notice to be agreed by the parties.
10. Lucky Ewe shall bear the cost of any relocation of the existing therapeutic garden in Area 26 resulting from the organisation's proposals.
11. Any other part of the site shall revert to NHS Fife if required for the development of health services following the current review of clinical services, subject to a period of notice to be agreed by the parties.
12. No development or use of the site shall take place unless the necessary statutory consents have been obtained by Lucky Ewe for the phase of development proposed to the satisfaction of NHS Fife.
13. No development or use of the site shall take place until statutory health and safety compliance has been demonstrated for the phase of development proposed to the satisfaction of NHS Fife.
14. No development or use of the site shall take place unless the necessary servitude rights for the provision of access and/or services have been obtained by Lucky Ewe to enable provision of the related development or use, to the satisfaction of NHS Fife.
15. No access to the site shall be permitted until a proposed access and parking plan has been submitted by Lucky Ewe for the consideration and written approval of NHS Fife. This shall show the proposed point, or points, of access to the site from the public road network, proposed access routes within the site and between parts of the site, proposed parking and service areas and shall set out measures for managing public access.

16. No access to the site shall be permitted until a proposed site layout plan has been submitted by Lucky Ewe for the consideration and written approval of NHS Fife. This shall show the proposed use of each part of the site, proposed boundary treatments, location of proposed buildings, location of proposed renewable energy infrastructure and location of any proposed pond, wetland or woodland areas.
17. No access to the site shall be permitted until a proposed infection prevention and control plan has been submitted by Lucky Ewe for the consideration and written approval of NHS Fife. This shall show appropriate separation between potential sources of infection and potentially sensitive receptors within the hospital campus, and the location or locations where toilets and hot water will be available.
18. Lucky Ewe shall be responsible for the payment of registration costs associated with the proposed lease.
19. Lucky Ewe shall be responsible for NHS Fife's legal costs in the event that the organisation decides not to enter into the proposed lease.
20. The land will be leased to Lucky Ewe under an agricultural lease in the form of the attached draft Modern Limited Duration Tenancy ("MLDT") to be agreed between the parties at a rent of £52 per annum and such other terms and conditions as provided for in the draft MLDT. The mortuary building will be leased to Lucky Ewe under a commercial lease in the form of the attached draft lease ("the Mortuary Lease") to be agreed between the parties, for a lease period of 25 years and at a rent of £1 per annum (if asked) and under such other terms and conditions as provided for in the draft Mortuary Lease.
21. NHS Fife shall be entitled to exercise break options under the MLDT and/or the Mortuary Lease in the event that (i) the community benefits as outlined in Lucky Ewe's constitution and asset transfer request application are not realised, Lucky's Ewe's proposed project fails and/or Lucky Ewe is wound up; (ii) any new planning permission is granted in respect of the land and/or buildings or any part or parts thereof for change of use for which NHS Fife's prior written consent has not been granted; in each case Lucky Ewe shall pay the difference between the discounted rent and the market rent in respect of the MLDT and/or the Mortuary Lease for the year or years when any such failure occurs.
22. The permitted use of the land and the mortuary building, including prohibitions on use will require to be agreed between NHS Fife and Lucky Ewe before the commencement of each lease.
23. NHS Fife shall not be responsible for the provision of, maintenance, renewal or replacement of any fixed equipment, which responsibility shall lie solely with Lucky Ewe.
24. Assignment of the whole or any part of Lucky Ewe's interest in the land under the MLDT and/or the mortuary building under the Mortuary Lease shall not be permitted. Sub-letting of the whole or part of the land under the MLDT and/or the mortuary building under the Mortuary Lease shall not be permitted without NHS Fife's prior written consent and subject to such conditions as NHS Fife may require at their sole discretion.
25. NHS Fife shall have a right of resumption in respect of all or part of the land under the MLDT if the resumption is for non-agricultural purposes for which planning consent has been obtained by anyone other than Lucky Ewe. There shall be no prohibition from resumption for that purpose in the MLDT.
26. There shall be upwards only open market rent reviews in terms of the MLDT and the Mortuary Lease. Such rent reviews will take place as at the eighth anniversary of the date of entry and every three years thereafter.
27. Other than as referred to in Conditions 18 and 19 and this Condition 27, NHS Fife and Lucky Ewe shall bear their own legal costs and expenses in relation to the transaction. Lucky Ewe shall be responsible for NHS Fife's legal fees and outlays as well as the registration dues in respect of registering each lease in the Land Register of Scotland and in the Books of Council and Session and obtaining three extracts of each lease.
28. NHS Fife will require to obtain advice on any proposed revisions by Lucky Ewe to the MLDT and the Mortuary Lease from the District Valuer/Property Adviser and an agricultural law expert.