



Valuation Office
Agency

DVS Property Specialists
for the Public Sector

Valuation Report for
Stokesley Health Centre
North Road
Stokesley
TS9 5DY



Report for:
David Iley, NHS
NHS England & Improvement

Prepared by:
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Case Number: 1753203

Date: 9th March 2021

Contents

1.	Introduction.....	1
2.	Valuation Parameters	1
3.	Property Information	5
4.	Valuation.....	9
5.	General Information.....	13
6.	Recommendations.....	14
7.	Appendices.....	15
7.1	Photographs.....	15

1. Introduction

I refer to your instructions dated 2nd November 2020 and my Terms of Engagement dated 12th November 2020.

I have inspected and valued the property and I am pleased to report to you as follows.

2. Valuation Parameters

2.1 Identification of Client

This is a joint instruction between David Iley of NHS England and Improvement and Claire Saunders of NHS North Yorkshire CCG.

2.2 Purpose of Valuation

It is understood that you require an assessment of the Market Rent and the CMR for the GP practice within the above property further to a programme of works that is being proposed and a lease which is in the process of being drawn up to commence once these works have been completed. I understand that the practice will receive a 100% grant to pay for the cost of these works.

2.3 Subject of the Valuation

GP Part of Stokesley Health Centre, North Road, Stokesley, TS9 5FY

2.4 Date of Valuation

The date of valuation is 9th March 2021.

Please note that values change over time and that a valuation given on a particular date may not be valid on an earlier or later date.

2.5 Confirmation of Standards

The valuation has been prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards and RICS UK National Supplement, commonly known together as the Red Book.

Compliance with the RICS Professional Standards and Valuation Practice Statements gives assurance also of compliance with the International Valuations Standards (IVS).

Measurements stated are in accordance with the RICS Professional Statement '**RICS Property Measurement' (2nd Edition)**, **Guidance Note 60: Valuation of Medical Centres and Surgery Premises (2nd Edition)** and, where relevant, the **RICS Code of Measuring Practice (6th Edition)**.

2.6 Agreed Departures from the RICS Professional Standards

There are no departures beyond those restrictions on the extent of investigations and survey, and the assumptions, stated below.

2.7 Basis of Value

Market Rent

The basis of value adopted is Market Rent which is defined at VPS 4, para 5 as:

'The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'

It should be noted that the Market Rent basis of value would normally be used to indicate the amount for which a vacant property may be let, or for which a let property may re-let when the existing lease terminates. Market Rent is not a suitable basis for settling the amount of rent payable under a rent review provision in a lease, where the actual definitions and assumptions have to be used in the assessment.

Current Market Rent

For the purposes of the report, I have had regard to the definitions of Current Market Rent as contained in the NHS Directions 2004. The reimbursement will be considered in respect of leased premises in accordance with NHS Directions and therefore the terms of the proposed lease are important and will impact on the rental value.

For leasehold premises, the calculation of CMR is based on the actual lease terms granted to an occupier. The necessary adjustments to take into account the lease terms are covered under the 2004 Directions.

2.8 Special Assumptions

The following agreed special assumptions have been applied:

1. I have assumed that the Net Internal Area of the total building, reflecting the various demises is 741sqm as shown on the plan provided and that the GPs will occupy 74.63% of the total building post completion works inclusive of shared areas. These figure have both been supplied in documentation provided by NHS Property Services.
2. I have excluded car parking from my valuation. I understand that car parking is not currently being reimbursed, so I have continued to exclude this element to ensure the valuation approach and basis of reimbursement before and after the improvement works have been undertaken is consistent.
3. The practice will receive a 100% grant which will cover the cost of the improvement works.
4. Detail on the nature and extent of the improvement works to be undertaken has been based on information provided in the Stokesley HC Feasibility Report and PID document. I understand that the improvement works completed will be broadly in line with current NHS guidance for planning new Primary and Social Care Premises as set

out in the Department of Health's (DH) Design Guidance ("The Design Guidance") - See <https://www.gov.uk/government/organisations/department-of-health/series/health-building-notes-core-elements>. Within this web site is a link to Health Technical Memoranda.

5. In spite of the works costing more than £500,000, I understand that BREEAM 'Very Good' will not be a requirement for this project as the cost of doing this will conflict with the obligation of the scheme to achieve 'value for money'. This stance has been agreed with David Iley of NHS England

2.9 Nature and Source of Information Relied Upon

In addition to relying upon VOA held records and information, I have assumed that all information provided by, or on behalf of you, in connection with this instruction is correct without further verification – for example, details of tenure, tenancies, planning consents, etc.

My advice is dependent upon the accuracy of this information and should it prove to be incorrect or inadequate, the accuracy of my valuation may be affected.

1. A heads of terms document, covering the proposed new lease sent to me in an e-mail on 25th February 2021.
2. A copy of the draft lease and draft heads of terms document for Stokesley Health Centre sent to me in an e-mail on 25th February 2021.
3. A building layout plan of the property pre-improvement works showing how this property is occupied by the different parties who utilise this building.
4. A site layout plan showing the building and the number of car parking spaces on site.
5. A building layout plan of the property post improvement works showing how this building will be occupied by the different parties who utilise this building.
6. Confirmation of the total building Net Internal Area and the percentage of the building occupied by the GP Practice post works.
7. A copy of the Stokesley HC Feasibility Report detailing the nature and extent of the improvement works that will be undertaken. Also confirmation that the cost of the improvement works will cost in the region of £1.7 million inclusive of VAT.
8. Information on the specification of the building post works and detail on where this differs from the requirements set out in the relevant part of the Department of Health's (DH) Design Guidance ("The Design Guidance").
9. A virtual image of how the property looks at the moment pre improvement-works. I understand that this image will be used to assist with the rent reviews on Stokesley Health Centre.

2.10 Date of Inspection

The property was internally inspected on 11th November 2020.

2.11 Extent of Investigations, Survey Restrictions and Assumptions

An assumption in this context is a limitation on the extent of the investigations or enquiries undertaken by the valuer. The following agreed assumptions have been applied in respect of your instruction, reflecting restrictions to the extent of our investigations.

- Such inspection of the property and investigations as the Valuer considered professionally adequate and possible in the particular circumstance was undertaken. This comprised undertaking an internal inspection of the property.
- No detailed site survey, building survey or inspection of covered, unexposed or inaccessible parts of the property was undertaken. The Valuer has had regard to the apparent state of repair and condition, and assumed that inspection of those parts not inspected would neither reveal defects nor cause material alteration to the valuation, unless aware of indication to the contrary. The building services have not been tested and it is assumed that they are in working order and free from defect. No responsibility can therefore be accepted for identification or notification of property or services' defects that would only be apparent following such a detailed survey, testing or inspection.
- It has been assumed that good title can be shown and that the property is not subject to any unusual or onerous restrictions, encumbrances or outgoings.
- It has been assumed that the property and its value are unaffected by any statutory notice or proposal or by any matters that would be revealed by a local search and replies to the usual enquiries, and that neither the construction of the property nor its condition, use or intended use was, is or will be unlawful or in breach of any covenant.
- Valuations include that plant that is usually considered to be an integral part of the building or structure and essential for its effective use (for example building services installations), but exclude all machinery and business assets that comprise process plant, machinery and equipment unless otherwise stated and required.
- It has been assumed that no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated. However where an inspection was made and obvious signs of such materials or techniques were observed, this will be drawn to your attention and captured in this report.
- No access audit has been undertaken to ascertain compliance with the Equality Act 2010 and it has been assumed that the premises are compliant unless stated otherwise in this report.
- No environmental assessment of the property (including its site) and neighbouring properties has been provided to or by the VOA, nor is the VOA instructed to arrange consultants to investigate any matters with regard to flooding, contamination or the presence of radon gas or other hazardous substances. No search of contaminated land registers has been made. However, where an inspection was made and obvious signs of contamination or other adverse environmental impact were visible this will have been advised to you, further instructions requested and the observations captured in the report.

Where such signs were not evident during any inspection made, it has been assumed that the property (including its site) and neighbouring properties are not contaminated and are free of radon gas, hazardous substances and other adverse environmental impacts. Where a risk of flooding is identified during any inspection made, or from knowledge of the locality, this will be reported to you. The absence of any such indication should not be taken as implying a guarantee that flooding can never occur.

- No allowances have been made for any rights obligations or liabilities arising from the Defective Premises Act 1972.

3. Property Information

3.1 Situation

The property is located on the northern edge of Stokesley town centre. It is surrounded primarily by residential dwellings but the local library and Stokesley fire station are also situated on North Road within the same general locality.

Stokesley is a market town situated within the Hambleton district of North Yorkshire. It is located two miles south of Middlesbrough borough boundary and eight miles south of Middlesbrough town centre. The town is situated adjacent to the A172 which skirts the eastern edge of the town and connects with Middlesbrough to the north and to the A19 and the A1 to the south, in turn linking with the wider North Yorkshire area.

3.2 Description

Stokesley Health Centre is a single storey, purpose built health centre, constructed in 1968. It is built of brick under a flat roof with UPVC double glazed windows. An extension to the rear of the property was created in 1998 linking the former caretaker's bungalow (also built in the late 1960s) with the rest of the health centre and converting the bungalow for clinical purposes. In addition, there is an open court yard in the middle of the property which is not used for GMS purposes.

There is a car park to the rear of the property with room to park 41 car parking spaces.

The property has not undergone an extensive refurbishment for some time however, three of the community rooms have been recently refurbished. In addition to this, new LED lighting and vinyl flooring has been installed through the property alongside some air conditioning cassettes in a selection of rooms and UPVC double glazing.

3.3 Tenure

The property is held on a freehold basis and a portion of the space is currently leased to the GP Practice, Dr Duggleby and Partners. I understand that a new lease is to be drawn up for the GP portion of the building between NHS Property Services (landlord) and Dr Duggleby and Partners (tenant), to commence when the building works complete. The area occupied by Dr Duggleby and Partners will be slightly

different from the area that they occupy at present. The main lease terms for the new lease I have been supplied with are shown below:

3.4 Lease Provisions

1. The lease is for a term of 25 years.
2. Rent review are to take place every 3 years with the first review due after year 5. The rent reviews are to be assessed to Market Rent.
3. The tenant cannot assign or sub-let the whole property without landlord's consent. The exception is assigning to other GPs or another contracted practice, in which case, landlord's consent is not required.
4. The Tenant is to keep the interior of the premises in a good state of repair and condition including decoration in every fifth year (if appropriate)
5. The tenant cannot make any non-structural alterations to the property without landlord's consent with the exception of demountable partitioning for which landlord's consent is not required.
6. The tenant can use the property for the provision of health and social care and community services within or in connection with the NHS to members of the public and for associated purposes, provided that such use falls within Use Class D1 (now known as Use Class E).
7. The landlord pays for the insurance and the tenant reimburses the cost of this via an insurance rent.
8. The tenant pays for repair and maintenance of the exterior of the property and common parts via a service charge to the landlord.
9. VAT is not payable on the rent passing.
10. There is an option for the GPs to renew the lease for an additional 14 year lease. At this point, the cost of the improvement works will be reflected in the rent passing.
11. The GPs have a right to park in the car park on a first come first serve basis.

3.5 Easements and Restrictions

I am not aware of any easements or restrictions affecting the subject property.

3.6 Site Area

N/A

3.7 Floor Area

I understand that the Net Internal Area of the total property, reflecting the various demises is 741sqm. The GP Practice will occupy 74.63% of the total space post works, and consequently, the Net Internal Area of their demise at the lease commencement date, will be 552.97sqm.

These areas have been measured in compliance with '**RICS Property Measurement (2nd Edition)**', '**RICS Guidance Note 60 'Valuation of Medical Centres and Surgery Premises' (2nd Edition)**' and, where relevant, the '**RICS Code of Measuring Practice (6th Edition)**'.

This area consists of space exclusively utilised by Dr Duggleby's Medical Practice along with a proportion of shared space. The latter has been calculated based on the

user's occupation of the building as a percentage of the total exclusively let area, applied to the shared space that is available. The shared space includes the waiting area, main corridors, patient WCs and a range of staff accommodation including the meeting room and staff room.

3.8 Accommodation

The portion of the property currently occupied by Dr Duggleby's GP Practice comprises the following accommodation:

Reception/reception desk, 7 x GP/nurse consulting rooms, 2 x treatment rooms, 7 x examination rooms, administrative offices, meeting room, patient play area, phlebotomy room

The GP Practice also shares the waiting area, patient WCs, staff WCs and staff room with the other building users.

The majority of the clinical rooms are located around the edge of the property whilst the waiting area and court yard are in the centre of the building. A typical clinical room is fitted out with painted and plastered walls and either a painted and plastered ceiling or acoustic tiled ceiling, strip LED lighting, vinyl non-sealed flooring, hot water radiator, porcelain sink set into either the wall, on a pedestal or in a vanity unit. Two of the rooms have relatively modern specifications sinks with long levered taps whilst the remainder have a mix of levered taps, round and crucifix taps.

3.9 Defects and Repair

The property is in a relatively poor overall condition and is in need of improvement. There has been some piecemeal work undertaken to upgrade the property in recent years including the upgrading of three of the community rooms, the installation of LED lighting and vinyl flooring through the property and air conditioning in a selection of the rooms.

I am assuming that there are no inherent defects adversely affecting the subject property.

3.10 Services

Although not checked with the relevant utilities it is understood that the property is connected to the usual mains services of gas, water, drainage and electricity.

3.11 Access and Highways

It is assumed that North Road is a public highway, maintainable at public expense.

3.12 Energy Performance Certificate

No Energy Performance Certificate has been provided.

3.13 Planning

I have made no enquiries of the Planning Authority and no information has been received on the property's planning status and potential.

I have assumed as agreed with you, that there are no planning proposals that adversely affect the property.

3.14 Equality Act 2010

Whilst I have had regard to the provisions of the Equality Act 2010 in making this report, I have not undertaken an access audit nor been provided with such a report. It is recommended that you commission an access audit to be undertaken by an appropriate specialist in order to determine the likely extent and cost of any alterations that might be required to be made to the premises or to your working practices in relation to the premises in order to comply with the Act.

3.15 Mineral Stability

The property is not in an underground mining area and a Mining Subsidence Report has not been obtained.

3.16 Environmental Factors Observed or Identified

Asbestos may be present in the construction of Stokesley Health Centre. While this material remains intact and in good condition the asbestos fibres are likely to be safe but specialist advice should be sought in the event of alteration, maintenance or demolition.

According to the Environment Agency's Flood Map, the property is at very low risk of flooding.

3.17 Rateable Value

The rateable value of the entire property dating from 1st April 2017 is £20,500pa.

3.18 Minimum Energy Efficiency Standards (MEES)

We have not been provided with an up to date EPC rating for this property and, as such, our valuation is based on the assumption that the subject property will meet the minimum requirements laid down by the Energy Act 2011 and its Regulations and that there will be no adverse impact on value and marketability. It is advisable to obtain an expert's opinion regarding whether an EPC should be commissioned and if the building is likely to meet with the legislative requirements.

4. Valuation

4.1 Valuation Methodology/Approach and Reasoning

This valuation has been undertaken using the comparable method of valuation with reference to rents passing on other comparable medical facilities which have been assessed as part of the Doctor's Rents & Rates Scheme.

4.2 Comparable Evidence

Property As It Stands

Egton Surgery, Whitby, YO21 1TZ: 1990s purpose built surgery in a village setting, CMR valued at £134.50/sqm and £275 per car parking space at June 2019.

Kirkbymoorside Surgery, Tinley Garth, Kirkbymoorside, YO62 6AR: former school, converted for medical purposes with a late 1990s extension, located in a small market town. CMR of original part of property valued at £112.50/sqm, extension at £135/sqm and car parking valued at £300 per space at February 2019.

7-8 East Side, Hutton Rudby, TS15 0LB: converted property with a small extension added in 2016, located in a village setting. CMR of original part valued at £105/sqm and extension at £127.50/sqm at December 2019

Spring Vale Heath Centre, Rivaulx Road, Whitby, YO21 1SD: 1990s purpose built which has been extended over time and situated on the edge of Whitby town centre. CMR valued at £138.75/sqm and £287.50 per car parking space at November 2018.

The Poplars, Scarborough Road, Rillington, YO17 8LH: early 1980s purpose built surgery in a village setting. CMR valued at £128.50/sqm and £300 per car parking space at October 2019.

Seamer Surgery, 8 Dennison Avenue, YO12 4QU: Poor quality, 1970s purpose built surgery in a residential area. CMR valued at £115/sqm at October 2018.

Robin Hoods Bay Surgery, Robin Hoods Bay, YO22 4RA: early 1990s purpose built surgery in a village setting, valued at £136/sqm and £275 per car parking space at March 2020.

Property Post Improvement Works

Ampleforth Surgery, Back Lane, Ampleforth: early 1990s purpose built surgery, recently refurbished and extended. Valued at £155/sqm post works at May 2018.

Glebe House Surgery, Firby Road, Bedale: early 1990s purpose built surgery, which has plans to be refurbished and extended. Valued for the purposes of an estimate post works at £157.50/sqm at November 2019.

Huntingdon Surgery, North Lane, Huntingdon: former house which has been extended and improved. Valued at £152.50/sqm post works at February 2019.

Given the practice will be receiving a 100% grant towards the cost of the works, I have had regard to the condition of the property as it stands now as opposed to once the works have been completed for the purposes of this valuation, but utilising the area that the practice will be occupying post works. I have then added on a 7.5% allowance for the external repairs and insurance element based on the capital that would be needed to cover these costs on the building once it has been upgraded. The reason for this is to ensure that the repairing, maintaining and insuring works are completed on the improved medical centre to the correct standard over the lifetime of the lease.

Valuation of the Property as it Stands

Stokesley Health Centre is an older property and in need of upgrading but it is well situated on the edge of Stokesley town centre. With this in mind, a value of £122.50/sqm has been adopted which sits towards the bottom of the range of evidence shown above. A lower rate has been primarily adopted to reflect the age and dated condition of Stokesley Health Centre when compared against the majority of the above comparables.

The comparable rent has then been adjusted by 7.5% to reflect the lease terms being on an effectively fully repairing and insuring (FRI) basis. This generates a lease rent value of £113.95/sqm for the building.

Valuation of the Building Post Improvement Works

I have adopted a rate of £157.50/sqm for the building post improvement works on CMR terms, slightly above the valuation on Ampleforth Surgery.

This generates the following CMR valuation:

CMR valuation of property post works:

NIA: 552.97 @ £157.50 = £87,093

7.5% of this rental figure to cover external repairs and insurance element is £6,532

CMR valuation of property as is stands:

NIA: 552.97 @ £113.95 = £63,012

7.5% repairs and insurance element £6,532

Total CMR £69,544 say £69,500

4.3 Opinion of Value

I am of the opinion that the Market Rent for the GP part of Stokesley Health Centre at 9th March 2021 is **£63,000 (sixty three thousand pounds)**. The CMR for the GP part of Stokesley Health Centre at 9th March 2021 in turn is **£69,500 (sixty nine thousand, five hundred pounds)**.

4.4 Lease Commentary

Lease length: I understand that the proposed lease length is 25 years. In light of the proposed works to be undertaken it is my opinion that this lease term post works is not unreasonable. I understand that the initial proposal to include a tenant break after year 10 will be removed from the final lease. Due to the size of the ETTF grant being paid for the works, I do not believe that the inclusion of a tenant break within the lease offers value for money to NHS England and North Yorkshire CCG.

Value of the improvement works: Given this is a leasehold property, it is my opinion that the 1954 Landlord and Tenant Act should be used as the basis for determining the length of the abatement period as opposed to the NHS Directions. Secondly, as the grant will cover 100% of the costs. I've concluded that the 10% supplementary allowance should not be payable as the contractor is not contributing towards the cost of the scheme (see Section 44 of the 2013 Directions). Further to this, I propose that the rent is abated over the lifetime of the lease, fully excluding the value of the improvement works. The value of the property will therefore be based on the existing layout, quality and finish of the rooms at Stokesley Health Centre for the lifetime of the lease.

To assist the landlord and tenant with assessing the rent at rent review, I would advise that a Schedule of Condition (or equivalent) is drawn up pre-works with detailed information on the current specification of the property. I have been sent a virtual image by NHS Property Services showing the property as it stands at the moment which you can virtually 'walk around'. I understand that this image will be referred to in both the lease and the agreement for lease for the purposes of assessing the rental value of the property at rent review. In my view, this offers a good impression of the current layout and level of fit out at Stokesley Health Centre and should provide sufficient detail to allow the rent review to take place. To prevent potential issues with advances in technology – which may affect this image being accessed in the future – I would advise that this image is backed up with some photographic evidence.

Repairs and insurance: The actual lease has been determined on effectively fully repairing and insuring terms. Due to the age of the building, an adjustment factor of 7.5% has been added on to arrive at the Current Market Rent figure. I therefore recommend that you advise the GP contractor that any outstanding capital (once the service charge and insurance rent which covers the external repairs and insurance rent respectively are paid) is invested in a sinking fund as the service charge cost may increase as the building and all the component parts get older and/or if some major repair works are required. As mentioned in section 4.2, the repairs and insurance allowance is based on 7.5% of the value of the property post improvement works.

The landlord has confirmed that a Schedule of Condition will not be drawn up as part of the new lease agreement. Given that the landlord is responsible for undertaking the external repairs (as the tenant is paying for these works via a service charge), I do not believe this decision to be unreasonable.

VAT: I understand from NHS Property Services that VAT will not be charged on the rent passing.

Cost of the Scheme and Rental Saving: I have compared the cost of the scheme against the saving in rent that would be achieved due to the ETTF grant across the entire building. My calculations show that the time take to claw the cost of the works back would require a minimum lease term in the region 45 years. This is considerably longer than the proposed lease term for the subject which is for a period of 25 years.

I understand that the cost has been competitively tendered but there are many areas of works including improvements to the roof and replacement windows which have forced the cost of the works and in turn the size of the ETTF grant up. The building has not been well maintained in recent years so considerable capital is required to make the building fit for purpose. In addition, a notable proportion of the cost is covering demolition works and the reconfiguration of the building. Although these works are required to upgrade the building, these are not all adding value to the overall rental figure. It is for this reason that there is a discrepancy between the cost of the works – which is significant - and the more limited uplift in rental valuation.

Having spoken with David Iley of NHS England, I understand that the primary concern for NHS England is establishing a modern health centre within Stokesley. Given the lease terms referred to in this report have been agreed with all the parties, it would be quicker and more straightforward to utilise the existing terms to progress the scheme as opposed to approaching the affected parties to ask for a revision that makes the scheme financials more balanced but may delay or even prevent the scheme taking place. With this in mind, my comments above have been included in this report for information purposes.

4.5 Currency

All prices or values are stated in pounds sterling.

4.6 VAT

My rental figures outlined in section 4.3 are exclusive of VAT.

4.6 Costs of Sale or Acquisition and Taxation

I have assumed that each party to any proposed transaction would bear their own proper legal costs and surveyor's fees.

No allowance has been made for liability for taxation, whether actual or notional, that may arise on disposal.

4.7 Market conditions explanatory note: Novel Coronavirus (COVID-19)

The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, “lockdowns” have been applied to varying degrees and to reflect further “waves” of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

For the avoidance of doubt, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

5. General Information

5.1 Status of Valuer

It is confirmed that the valuation has been carried out by Alison Mobbs, a RICS Registered Valuer, acting in the capacity of an external valuer, who has the appropriate knowledge and skills and understanding necessary to undertake the valuation competently, and is in a position to provide an objective and unbiased valuation.

5.2 Conflict of Interest

Checks have been undertaken in accordance with the requirements of the RICS standards and have revealed no conflict of interest. DVS has had no recent material involvement with the property.

5.3 Restrictions on Disclosure and Publication

The client will neither make available to any third party or reproduce the whole or any part of the report, nor make reference to it, in any publication without our prior written approval of the form and context in which such disclosure may be made.

5.4 Limits or Exclusions of Liability

Our valuation is provided for your benefit alone and solely for the purposes of the instruction to which it relates. Our valuation may not, without our specific written consent, be used or relied upon by any third party, even if that third party pays all or part of our fees, directly or indirectly, or is permitted to see a copy of our valuation report. If we do provide written consent to a third party relying on our valuation, any such third party is deemed to have accepted the terms of our engagement.

None of our employees individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring any claim against any such individuals personally in connection with our services.

5.5 Validity

This report remains valid for six months from its date unless market circumstances change or further or better information comes to light, which would cause me to revise my opinion.

6. Recommendations

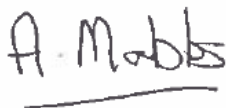
- 6.1 I am of the opinion that the Market Rent for the GP part of Stokesley Health Centre at 9th March 2021 is **£63,000 (sixty three thousand pounds)**. The CMR for the GP part of Stokesley Health Centre at 9th March 2021 in turn is **£69,500 (sixty nine thousand, five hundred pounds)**.

I would advise that you request a copy of the updated lease to ensure that the changes I have recommended have been made. These include that the tenant break after year 10 has been removed, that the lease and agreement for lease refer to the virtual image for the purposes of assessing the condition of the property at rent review and that the plans referred to in the draft lease are attached. A related matter is ensuring that the definition of Property refers to Stokesley Health Centre pre-works. This should be clear, if a plan of the property as it stands now is attached to Schedule 1 within the lease.

My one concern concerns the cost of the scheme and the period of time that it would take this cost to be clawed back via the saving in rent. If the stance of NHS England in terms of prioritising the safe delivery of this scheme over the scheme financials changes then I would advise that you contact me to request an updated report.

Subject to the above, I am satisfied that the proposed scheme at Stokesley Health Centre represent value for money to NHS England and NHS North Yorkshire CCG.

I trust that the above report is satisfactory for your purposes. However, should you require clarification of any point do not hesitate to contact me further.



Alison Mobbs MRICS
Senior Surveyor
RICS Registered Valuer
DVS

7. Appendices

7.1 Photographs









