



SCOTTISH EXECUTIVE

Health Department
Directorate of Performance Management & Finance

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Your ref:
Our ref: 2EDF/008

Date: 5 January 2005

FILE	
COPY TO	
06 JAN 2005	
ACTION	

Dear Tom

APPOINTMENT OF ADVISERS: FORMER LENNOX CASTLE HOSPITAL

Thank you for your letter dated 14 December in which you request guidance on the appointment of both legal and property advisers.

With regard to the appointment of a Legal Adviser the current guidance requires NHS Bodies (other than Trusts) to appoint Central Legal Office to deal with all legal matters arising from property transactions. Currently there is no dispensation in the Property Transactions Handbook which authorises or permits NHS Boards to appoint other legal advisers, although this is an issue which will be looked at again in 2005 as part of the revision of the Property Transactions Handbook. In the meantime I am content that NHS Greater Glasgow appoint McClure Naismith as legal advisers for this particular transaction, given the involvement which that firm has had to date in the development of the Lennoxtown Initiative. Clearly they are considerably more knowledgeable regarding the detail of all agreements than other firms and one would expect their fee to reflect this. I note your intention to seek a fee quote in advance and to benchmark this against market rates for other transactions and on the assumption that this benchmarking exercise demonstrates that value for money is being delivered by McClure Naismith I am content for you to appoint that firm.

With regard to the appointment of property advisers, Pollock and Buchan like McClure Naismith, are well acquainted with the background to the agreement and have acted in other disposals. With a similar caveat to that regarding the appointment of a legal adviser regarding value for money in any fee quote I am content for you to appoint that firm without going to tender.

You also indicate that you propose to appoint an Independent Valuer but this will be made in the normal manner following open competition. Given the role played by the Independent Valuer as detailed in paragraph 2.7 of the Property Transactions Handbook you should obtain a clear indication regarding the value for money offered by Pollock and Buchan in their fee quote.

I hope the above comments are helpful, but if you wish to discuss any aspect please do not hesitate to contact me.



I look forward to seeing you next week.

Regards.

Yours sincerely

[Redacted signature]

ppDAVID HASTIE
Head of Property and Capital Planning

(dictated by David and issued in his absence)

