

Written statement of a key decision
Cabinet member contracts and assets

Title	Sale of land adjacent to Hereford Railway Station to facilities development of a new GP surgery
Decision maker	Cabinet member contracts and assets Information about cabinet, including the names and contact details of the cabinet members, can be found here: http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251
Date of decision	8 May 2018
Report exemption class	Open
Reason for being a key decision	<p>This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.</p> <p>This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.</p>
A notice was served in accordance with Part 3 (Key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.	
General exception or special urgency (as defined in the constitution)	No
Purpose	<p>To approve the disposal of land by way of a 125 year lease adjacent to Hereford railway station to facilitate the development of a new healthcare centre. The disposal of land will:</p> <ul style="list-style-type: none"> • Enable the delivery of new city centre healthcare hub • Provide a new prominent building adjacent to the city link road and station • Help deliver improved healthcare services in the city • Provide a capital receipt
Decision	That:

	<p>(a) the disposal by way of a 125 year lease of development land extending to approximately 1.155 acres (final area to be confirmed on detail site survey) adjacent to Hereford railway station (as shown at appendix 1) to Prime (UK) Developments Ltd or a company within the Prime plc group of companies be approved conditional on:</p> <ul style="list-style-type: none"> • the development of the site as a new GP healthcare hub for Hereford • the lessee securing relevant planning permission • the purchaser agreeing lease terms with the GP's • the development being completed within 3 years of the lease being completed • adjustment of the purchase price to reflect any agreed abnormal development costs as identified following receipt of site investigation and further due diligence by the purchaser. <p>The chief finance officer be authorised to agree the final sale price in the event of any identified abnormal development costs and complete the development agreement and subsequent lease on terms set out in this report to Prime (UK) Developments Ltd or a company within the Prime plc group.</p>
Reason for the decision	<p>As set out in the report. Documents relating to this decision are available at</p> <p>http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?IId=50024538</p>
Options considered	<ol style="list-style-type: none"> 1. The council retains the site and develops for housing or other use(s). This is not recommended because of the wider community value to be obtained from establishing a healthcare hub and the fact that the disposal value reflects the residential development potential of the site. Following an extensive site search by the GP practices this is considered the most suitable site for the healthcare hub. If the disposal is not approved then there is a risk that the project will not be delivered due to the time constraints of external NHS funding. 2. The council working with its regeneration and development partner delivers the project. This option was considered but is not recommended because the timing of external funding available to the NHS commissioners and existing relationship between Prime and the doctors commissioning the facility and other factors it was considered that this would introduce an additional level of risk into the project which could delay and risk the project delivery. 3. The council grant a lease on alternative terms such as a shorter term or with a higher annual rent to maximise its revenue income from this site. This was explored with Prime

	is not recommended because the developer would be unable to secure funding on acceptable terms and the consequence would be a reduced receipt to the council or possibly even failure to proceed with the project on this site.
Declarations of interest (see ▪ below)	
Call-in expiry date (decisions are not subject to call-in where special urgency provisions apply)	14 May 2018

<p>Councillor:</p> <p>Cabinet member contracts and assets (Councillor H Bramer)</p>	<p>Date 8 May 2018</p>
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- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;
- and
- in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.