

Gloucester City Council

Meeting:	Cabinet	Date:	22 June 2016
Subject:	Disposal of land for the proposed new Churchdown Doctors' Surgery		
Report Of:	Cabinet Member for Regeneration and Economy		
Wards Affected:	None		
Key Decision:	Yes	Budget/Policy Framework:	No
Contact Officer:	Melloney Smith, Surveyor and Valuer		
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Appendices:	1. Financial Information (EXEMPT)		
	2. Plan of site		
	3. Plan showing proposed development		

EXEMPTIONS

The public are likely to be excluded from the meeting during consideration of part of this report as it contains exempt information as defined in paragraph 3 of schedule 12A to the Local Government Act 1972 (as amended).

1.0 Purpose of Report

To seek approval to the intended disposal by way of a 125 year lease of land at Parton Road, Churchdown for the purpose of building a new doctors' surgery.

2.0 Recommendations

Cabinet is asked to **RESOLVE** that:

- (1) The land be disposed to Brackley Developments for the purpose of building a new doctors' surgery for the value outlined in Appendix 1, on the basis of a long lease on the general terms set out in the report and such other terms as the Acting Asset Manager, in consultation with the Head of Property and Asset Management of Cheltenham Borough Council, deems appropriate;
- (2) That the Council Solicitor be authorised to execute such documents as she deems necessary or appropriate to carry into effect the transaction upon the terms agreed.
- (3) That the proceeds of the disposal be split equally between Gloucester City Council and Cheltenham Borough (who jointly own the land) and Churchdown Community Association (who have a lease on the land).

3.0 Background and Key Issues

- 3.1 The land comprises 1.77 acres of undeveloped land. It was subject to an unsuccessful Village Green bid. It is not classed as Public Open Space but as "Important Open Space" by Tewkesbury Borough Council, whose authority it lies in.
- 3.2 The land is jointly owned with Cheltenham Borough Council
- 3.3 The land is currently let to Churchdown Community Association by way of a lease. The lease commenced 1 June 1985 and is for 60 years. The annual rent is £1750 pa. This lease will be surrendered as part of this transaction.
- 3.4 The lease to the Churchdown Community Association does not contain a break clause to terminate the lease. In order to obtain the surrender of their lease it has been agreed that the proceeds are split three ways between the two Councils and the Community Association.
- 3.5 Discussions have taken place with Gloucester City Council and Brackley Investments Ltd. It is proposed that they take a 125 year lease on the land at a peppercorn rent. The granting of the lease will be subject to a one year option whilst planning permission is obtained. Brackley Investments Ltd are the developers that the doctors are using. After obtaining planning permission they will purchase the long lease of the site and build the surgery. They will then sublet it to the doctors.
- 3.6 GVA Grimley Ltd have acted on behalf of Gloucester City Council and Cheltenham Borough Council in agreeing the price for the land which has been provisionally agreed at the value outlined in Appendix 1. GVA will provide confirmation that this figure is the best figure that could be achieved for the land to satisfy the requirements of section 123 of the Local Government Act 1972.
- 3.7 Cheltenham Borough Council will be taking this decision to their Cabinet on 14 June 2016.
- 3.8 Churchdown Community Association has been advised of the figure. We are awaiting confirmation of their procedure and timescale for agreeing to this.

4.0 Asset Based Community Development (ABCD) Considerations

- 4.1 Not applicable to this transaction.

5.0 Alternative Options Considered

- 5.1 The site could be left as it is being rented to the Churchdown Community Association. This would mean the loss of the opportunity of a capital receipt and also mean an alternative site for the proposed doctor's surgery having to be found.
- 5.2 To dispose of the site on the open market. The site is classed as "Important Open Space" by Tewkesbury Borough Council. It is considered that residential development would not be permitted on the site.

6.0 Reasons for Recommendations

- 6.1 The proposal will assist in the provision of a much needed new doctors' surgery in Churchdown. It will provide a capital receipt for the Council.

7.0 Future Work and Conclusions

- 7.1 Following the approval of Cabinet and together with the approval of Cheltenham Borough Council and Churchdown Community Association, Officers will instruct One Legal to draw up an option agreement and a lease.

8.0 Financial Implications

- 8.1 The Council's share of the disposal proceeds will be a third. This amount will be added to the Council's capital receipt reserve and may be allocated in future to capital expenditure or the repayment of existing debt.
- 8.2 The loss of the existing rent on the site will have minimal impact on the Council's revenue budget.

(Financial Services have been consulted in the preparation this report.)

9.0 Legal Implications

- 9.1 The Council has an obligation under s123 of the Local Government Act 1972 to dispose of land at the best consideration that can reasonably be obtained. This obligation applies unless there are specific circumstances in which a sale at an under value can be considered. The external valuation provided by GVA Grimley Ltd in respect of the proposed transaction as a whole indicates that the Council's statutory duty under this section has been met.

(One Legal have been consulted in the preparation this report.)

10.0 Risk & Opportunity Management Implications

- 10.1 If Cheltenham Borough Council and Churchdown Community Association do not approval to the disposal then it will not proceed.
- 10.2 If planning permission is not forthcoming on the site for a doctors' surgery the disposal will not proceed.

11.0 People Impact Assessment (PIA):

- 11.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

12.0 Other Corporate Implications

Community Safety

- 12.1 No real impact. If building works commence on site the contractor will be governed by relevant legislation including Construction Design and Management Regulations 2015.

Sustainability

- 12.2 The proposed surgery is to be built to a BEAM excellent standard.

Staffing & Trade Union

- 12.3 There are no implications.

Press Release drafted/approved

- 12.4 It is premature to consider this aspect.

Background Documents: None