

Rother District Council

Report to:	Cabinet
Date:	11 January 2021
Title:	Letting of development site at Wainwright Road, Bexhill
Report of:	Ben Hook – Head of Acquisitions, Transformation and Regeneration
Cabinet Member:	Councillor Dixon
Ward(s):	Central, Bexhill
Purpose of Report:	To facilitate development of a new GP Surgery at Wainwright Road, Bexhill
Decision Type:	Non-Key
Officer	
Recommendation(s):	It be RESOLVED: That the Chief Executive be granted delegated authority to agree a lease with Medical Centre Developments Ltd for the land at 1-7 Wainwright Road as indicated in Appendix A.

Introduction

1. The two GP practices operating at Collington and Sea Road surgeries have for some time identified a requirement for larger and more modern premises; to enable the two existing surgeries to combine under a single roof, to meet current operational standards and to accommodate a growing patient list. The GP practices are working with a developer, Medical Centre Developments Ltd., to work with them in meeting this requirement.
2. A proposal had initially been agreed in principle with the Diocese of Chichester to refurbish St Barnabus Church in Sea Road for this purpose; however, this scheme has stalled due to delays in securing the necessary approvals at the Diocese, and the GPs and the developer approached the Council to see what alternatives may be open to them.
3. At the same time, the Council was also approached by the GP practice operating Sidley surgery regarding their future requirements.

Details of the proposals

4. Discussion with the GPs and Medical Centre Developments Ltd have focussed around the West Trading Estate at Beeching Road / Wainwright Road, and in particular the northern half of the former Sharwoods factory site at 1-7 Wainwright Road. This site has recently been demolished and cleared by the Council after buying out the ground lease from Mars Pension Fund. A plan of the site is attached as Appendix A, with the area proposed for the GP surgery shown coloured blue.

5. The whole site is currently occupied on a temporary basis for a COVID-19 testing centre. This arrangement is timed to end on 21 March 2021 or can be terminated at any time thereafter on 20 working days' notice.
6. The GPs have now formally confirmed Wainwright Road as their preferred option, in place of St Barnabus Church. It is proposed that Medical Centre Developments Ltd will take a ground lease of the northern half of the property from the Council, in order to invest in the development of a new surgery and pharmacy, on completion of which they will receive rent from the GP practices, based on a formula approved by the Clinical Commissioning Group (CCG).
7. Sidley Surgery has also confirmed that it will form part of the scheme and will take space within the proposed new premises.
8. The scheme has the support of the East Sussex and Brighton CCG who will be responsible for approving the business case from the GP practices and approving the NHS funding for the development.
9. Following receipt of external advice, Heads of Terms have been agreed in principle for a ground lease, subject to Cabinet approval.
10. It is proposed that the Council will initially enter into an Agreement for Lease, which will be exercisable once the following conditions have been met:
 - a) Planning permission for a GP surgery/pharmacy
 - b) Final Business Case approval from the NHS for the surgery
 - c) Site investigations revealing no serious adverse ground conditions / contamination.

Options

11. Following the acquisition of the ground lease from Mars Pension Fund and subsequent demolition of the site, the Council has a number of options open to it regarding the redevelopment. These should be seen in the wider context of the Council's holdings in the West Trading Estate.
12. The Council has received enquiries from other third-party developers interested in either acquiring the freehold or taking a long ground lease, in order to redevelop the site for light industrial or trade counter uses. However, the financial return to the Council from these proposals is less favourable.
13. The Council also has the option to carry out its own direct development of the site; most likely for light industrial premises similar to those at Elva Way. This would require adding to the Council's existing borrowing commitments through other development projects already in the pipeline; and would rely on having officer capacity to deliver. This would also apply if the Council were to develop the GP surgery itself.
14. The recommended proposal requires no capital funding from the Council and will require only limited officer resources to monitor progress of the scheme, as the developer will make the application for planning permission and manage the development.

15. In addition, as the proposal only concerns the northern part of the site it leaves the southern half of the site free for other development, with the potential to realise further financial and regeneration benefits in the future.

Conclusion

16. The proposal represents best value for money for the Council by facilitating much-needed improvements to local healthcare provision, meeting the requirements of the GP practices and the CCG. It also represents a good financial return for the Council in the longer term, with the potential for additional financial and regeneration benefits from the remainder of the site.
17. It is recommended that the Chief Executive be authorised to enter into a lease with Medical Centres Ltd at 1-7 Wainwright Road, Bexhill, on terms to his satisfaction in consultation for the Cabinet Portfolio Holder for Finance and Performance Management.

Financial Implications

18. The proposal will generate a financial return to the Council.

Legal Implications

19. The Agreement for Lease and the Lease will be subject to the usual legal advice and due diligence.

Environmental Implications

20. The proposed development will be required to meet BREEAM Excellent standards for sustainable design and operation and the Council will encourage the developer to meet the highest possible environmental standards wherever feasible.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	Yes	Access to Information	No
Sustainability	Yes	Exempt from publication	No
Risk Management	No		

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Appendices:	Appendix A - Site Plan
Relevant Previous Minutes:	N/A
Background Papers:	N/A
Reference Documents:	N/A