

From: Rebecca Spore, Director of Infrastructure

To: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Trading Services

Subject: Disposal of Land at Langton Field, Langton Lane (off Nackington Road), Canterbury, Kent

Key decision: Yes - Expenditure or savings (capital receipt) of over £1m

Classification: Non-Exempt / Unrestricted

Past Pathway of report: Policy and Resources Cabinet Committee, July 2018
Policy and Resources Cabinet Committee, July 2014
(Decision No: 14/00080)
Policy and Resources Cabinet Committee, 13th July 2021

Future Pathway of report: Cabinet Member Decision

Electoral Division: Canterbury City South and Canterbury South

Summary: This report considers the proposed freehold disposal of Land at Langton Field, Langton Lane (off Nackington Road), Canterbury, Kent.

Recommendation(s):

The **Deputy Leader and Cabinet Member for Finance, Corporate and Trading Services** is asked to consider and endorse or make recommendations on the proposed decision to approve the Director of Infrastructure to progress with and enter into the necessary documentation to complete the freehold disposal of the land in consultation with the Cabinet Member for Finance, Corporate and Traded Services.

1. Background

- 1.1 The freehold land owned by KCC, outlined in red on the attached site plan at Appendix A, is located in Canterbury adjoining the southern extent of the urban area including the Kent & Canterbury Hospital. It comprises of a relatively flat and open agricultural field extending to approximately 5.8 hectares (c.14.4 acres).
- 1.2 Canterbury City Council (CCC) own the adjacent farmland to the north west, extending to approximately 9.3 hectares (c.23 acres).
- 1.3 Both parcels form a site allocated within Canterbury's adopted 2017 Local Plan known as Ridlands Farm & Langton Field allocated for 310 dwellings, together with a health element.

- 1.4** The NHS services have been considering options at Canterbury, Margate and Ashford for a number of years, in terms of its service delivery and estates transformation strategy. One of the options being considered is the expansion of the Canterbury Hospital which requires the use of the Council's land holdings at Langton Lane.
- 1.5** The final hospital configuration option to be progressed will be determined following further consultation and the approval of the option by NHS E/I. KCC are not part of this decision-making process. KCC however, by virtue of its landholding, would not want to restrict any of the options under consideration by the NHS for the provision of healthcare services to the residents of East Kent.
- 1.6** The extent of the land take required for the proposed hospital over the Council's land is illustrated in the plan at Appendix B, this requires the land, which is in both KCC's and CCC's ownership. The Canterbury expansion is reliant on a developer coming forward to develop and make contribution to a hospital development. Conversations have progressed with all parties with a view to ensuring that a transparent and robust process is progressed, which meets KCC best value and other statutory obligations, and allows the NHS to progress, if approved, with the development of a hospital facility. Our legal advisors and that of EKHUFT, have recommended that an OJEU (or equivalent) compliant procurement is run, which seeks a development partner to bring forward a proposal for a hospital on the land in the ownership of KCC and CCC.
- 1.7** The procurement process is designed to test the market further and establish the viability of any proposals that may come forward. The ability to proceed to the later stages of the procurement will be subject to a decision from NHS E/I as to the final hospital configuration in East Kent.
- 1.8** KCC therefore require a decision to include its landholdings for disposal as part of the proposed EKHUFT procurement process CCC obtained their decision in December 2020 to make its land available in principle as part of the hospital trust's procurement process.

2. Proposed Terms and Financial Implications

- 2.1** KCC and CCC officers, supported by legal advisors, have drafted public sector heads of terms in order to include the Councils' respective landholdings within the proposed EKHUFT procurement process. These heads of terms seek to set out the principles of any land sale and to protect the Councils' interests and are set out in more detail as part of the exempt report.
- 2.2** KCC are required to achieve best value in the disposal of any land. The proposed process is transparent and allows developers to come forward on the basis that KCC require full value for the site based on the Local Plan Allocation. Further financial information is set out in the exempt report.

3. Timeline

3.1 The indicative timeline is set out below:

Timeline	Key Milestone
July 2021	KCC Key Decision
July 2021	OJEU notice issued to start procurement to invite developers to come forward with proposals to assemble the land and develop a hospital shell
Note the procurement will be paused following the review of initial bids subject to a decision by NHS E/I as to future hospital configuration in East Kent.	
December 2022	Procurement Complete

3.2 Please note, the above timeline is highly indicative and subject to delays outside of KCC's control.

4. Planning

4.1 The KCC and CCC land, together known as Ridlands Farm & Langton Field, is allocated in the 2017 adopted Local Plan for 310 homes plus a health element.

4.2 CCC have been progressing a call for sites as part of the local plan. A joint KCC/CCC "Call for Sites" Submission was made in June 2020, to protect current residential allocation (completed June 2020).

5. Communications

5.1 It is intended that the first stage of the Trust's procurement process (soft market testing) will take place in July 2021, which will comprise of a Public Information Notice (PIN) and accompany briefing note.

5.2 This will broadly set out how the Councils will be making their land available for the proposed new hospital at best value (reflecting residential land values), subject to the outcome of the ongoing NHS consultation and approval processes around their options.

5.3 A communication statement will be put in place to manage any press enquiries.

6. Equalities implications

6.1 There are no equalities implications.

7. Governance

7.1 The site has been declared surplus to KCC's requirements with a key decision being sought in line with the Council's governance processes. External legal advice has been sought following discussion with General Counsel.

8. Conclusions

8.1 This KCC site has been considered surplus to the Council's requirements.

8.2 If this proposal is agreed as set out in this report and the exempt report, the Council will make a commitment to include its land in the NHS Trust's hospital procurement exercise, leading to a contractual obligation to sell to the successful bidder to deliver a significant hospital expansion and supporting residential development.

8.3 This proposal has the potential to generate a major capital receipt for the Council and will allow the NHS decision making process to reach a conclusion.

9. Recommendation(s)

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10. Background Documents

- KCC land site plan.
- KCC & CCC land site plan showing extent earmarked for new hospital.
- KCC & CCC land in context of wider schemes in area.

11. Contact Details

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