

# Case Study

## Selling a surplus site, generating £2.65 million for reinvestment in the NHS Estate

### ST BARTHOLOMEW'S HOSPITAL, ROCHESTER (KENT)

#### Background

##### Site:

97,000 sqft of buildings located on a 2.5 acre site. Buildings predominantly built in the Victorian period. Declared surplus in 2016.

##### Customers/stakeholders:

- Medway Clinical Commissioning Group (CCG)
- Medway District Council (MDC)

##### NHSPS representatives:

- David Thurgar, Senior Transactions Manager

#### The Challenge

Medway CCG announced the site surplus to requirements in mid 2016, and it was vacated a few months later.

NHS Property Services (NHSPS) were then tasked with extensive investigative due diligence to ascertain the best future use of the site, and to maximise a capital receipt from a sale.

#### The Solution

NHSPS teams carried out due diligence surveys (including structural, ecology, environmental and heritage), as well as a legal title investigation, finding no major issues which could be detrimental to the future use, development and sale of the site.

Working closely with internal and external town planners, architects and designers (as well as multiple stakeholders) we established the best and most valuable use of the site, being mindful of what would be acceptable due to the site being in a conservation zone and containing a former grade 2 listed Water Mill.

We submitted a Pre Planning Application to Medway District Council, comprising a part conversion/refurbishment of the historic Victorian buildings, and a part new build development of 103 residential units. MDC agreed in principle to this redevelopment, and with this we could significantly increase its potential capital value.

#### The Result

**Six formal offers** were made, and after extensive negotiations a buyer was selected, **paying £2.65 million**, which can now be reinvested into the NHS estate.

Surrendering liability of the site will also **save the NHS £110,000 per annum in running costs**.