

**GENERAL EXCEPTION PROVISIONS RELATING TO KEY DECISION (S)
(STANDING ORDER 54(6) REGULATION 10 NOTICE)**

NB: This procedure is subject to the 5 clear day's notice rule (five weekdays i.e. five periods of 24 hours running from midnight to midnight excluding the day the relevant Director informs the Chairman of Scrutiny/Crime and Disorder (Overview and Scrutiny) Committee or in the Chairman's absence, every Member of the Scrutiny/Crime and Disorder (Overview and Scrutiny) Committee) of the proposal(s).

OPEN (WITH CONFIDENTIAL APPENDICES)

Exempt Information Category: Standing Order 46(1)(b) Annex 1 para. 3 Information relating to the financial or business affairs of any particular person (including the authority holding the information) and in all the circumstances of the case, the public interest in not disclosing the information outweighs the public interest in disclosing the information.

Report Title: GREENHITHE MEDICAL CENTRE

Date of Cabinet Meeting: 4 December 2025

Originator (Name and Directorate): Caroline Hicks, Growth and Community **Ext:**

Details of any Member/Officer interest known: None

A. Key Decision(s) Proposed:

Please see attached report for details of key decision(s) to be taken by the Cabinet or Officer under delegated authority

B. Reasons for General Exception (i.e. Originator to state reasons why proposed decision(s) has to be taken by a particular date therefore making it impracticable to defer the proposal(s) until it has been included in the next Regulation 9 Notice)

In order to deliver the project a land acquisition is required from Kent County Council. They have a deadline to complete the transaction which, if missed, will mean the land is put to auction rendering the scheme undeliverable. Deferring the proposal until the next Cabinet meeting would make meeting the deadline impossible.

Signed: _____
Title: Director of Growth & Community

Dated: 18 November 2025

AND

Signed: _____
Leader of the Council

Dated: 20th Nov 2025

C. I, Councillor..... Chairman of [Scrutiny Committee] [Crime and Disorder (Overview and Scrutiny) Committee] (or in the Chairman's absence, every Member of the [Scrutiny Committee] [Crime and Disorder (Overview and Scrutiny) Committee] have been informed by the relevant Director that the taking of the key decision(s) as outlined in A. cannot reasonably be deferred for inclusion in the Regulation 9 Notice for the reasons detailed in B.

Signed: _____ Dated: _____
Title: Chairman of [Scrutiny Committee] [Crime and Disorder (Overview and Scrutiny) Committee]

D. Copies to be distributed by Democratic Services following Notice referred to in C. above

Originating Officer (to receive confirmation of notice);
Democratic Services to;

- receive confirmation of notice in C.; and
- publication on the Council's website; and
- include General Exception Form as an Appendix to the report to the Cabinet; and if applicable, copy every Member of [Scrutiny Committee] [Crime and Disorder (Overview and Scrutiny) Committee] in accordance with C.; and
- report to the next scheduled meeting of the [Scrutiny Committee] [Crime and Disorder (Overview and Scrutiny) Committee] [refer to C.] in accordance with Standing Order 54(6)(e).

NB: The Originator must complete B. as to reasons for General Exception and must obtain the relevant Director's signature in B. The Originator is also responsible for ensuring that this form is passed onto the Democratic Services Manager for the purposes of obtaining the Chairman's signature at C. or where appropriate, for copying to every Member of the [Scrutiny Committee] [Crime and Disorder (Overview and Scrutiny) Committee].

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GREENHITHE MEDICAL CENTRE

1. Summary

- 1.1 This is a Key Decision as the Council will incur expenditure or savings beyond the threshold agreed by the Council
- 1.2 This report outlines an approach to The Council by NHS Kent and Medway Integrated Care Board (ICB) on the development of a medical centre with undercroft car parking, landscaping, and other associated works at Steele Avenue, Greenhithe.
- 1.3 For reasons explained in the report it has not been possible for the scheme to be delivered in line with the outline business case approved by the ICB.
- 1.4 The proposal is to enter a Section 2 contract between NHS England and the Council. This would enable all funding secured for the development to be passed to the Council to act as developer of the facility.

2. RECOMMENDATIONS

That the Cabinet:

1. Approves the principle of the Council using its powers, functions and funds to facilitate the delivery on behalf of NHS Kent and Medway Integrated Care Board (ICB) and NHS England for the delivery of a medical centre with undercroft car parking, landscaping, and other associated works at Steele Avenue, Greenhithe.
2. Approves the principle of funding and delivering the project using funding via a section 2 contract with NHS England, noting that the Council will have to make some initial funding available as set out in the report. Together with a recommendation to Council that the Council approve a budget for purchase of the necessary land, with funded budgets for professional contract and associated project costs to be included in the 26-27 budget process.
3. Approves the purchase of the site at Steele Avenue, Greenhithe in the terms set out in the report from Kent County Council.
4. Approves the principle of entering into agreements for Lease and leases for the site as set out in the report and notes the contractual obligations and risks related to the agreement for lease.
5. Grants delegated authority to Director of Growth and Community to:
 - a. Approve the gateway points identified in the report and agree the project is able to proceed at each of these.
 - b. Approve the final terms for the entering into an agreement under Section 2 National Health Service Act 2006 to deliver the project and the long-term management of the site.
 - c. Approve the final terms of any agreement for lease or lease in relation to the project.
 - d. Approve variations to the project programme provided that these do not cause the Council to breach any contractual agreement entered into.

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- e. Approve procurement for the appointment of a professional team to facilitate the project including architects, surveyors, project managers.
 - f. Approve the commencement of tender process for construction contracts.
 - g. Approve the appointment of contractors following appropriate procurement subject to the appointment being within the identified budget.
 - h. Approve the entering into any related contractual documentation (including collateral warranties and novation agreements) related to the development of the project.
 - i. Approve the entering into any agreement (including paying any necessary sums provided they are within the project budget) with any utility or related provider to ensure the connection, moving or management of any services to facilitate the project.
 - j. Approve the entering into any agreement including disposal for any land within the project site to a public utility for the purpose of providing utilities to the project.
 - k. Approve the entering into any service contracts for the ongoing maintenance or management of the project where these are within the budget.
6. Grants delegated authority to the Head of Legal to approve the final form of wording of any legal agreement related to the project.

3. Background and Discussion

- 3.1. This is the priority general practice premises development project for the ICB. The new Greenhithe Medical Centre will enable two general practices, Swanscombe and Bean Partnership and Temple Hill Group, to move to new premises from three small branch surgery premises (Elmdene Surgery, Greenhithe Surgery and Ivy Bower Surgery). The new medical centre will provide sufficient capacity for the existing population along with continued growth in the area, with a wider range of primary medical services in one location (see Appendix A – site plan).
- 3.2. The ICB approved an outline business case for the new medical centre in December 2024. The Council has already allocated £3.6m strategic Community Infrastructure Levy (CIL) funding towards the new medical centre (Cabinet 23 January 2025, minute 100).

4. NHS/ICB approach

- 4.1 The ICB approached The Council confidentially as further discussions and reviews unfortunately concluded that the medical centre could not be delivered under the terms that had previously been approved. The ICB was unable to agree to proposed changes when considering value for money and affordability.
- 4.2 To avoid further delays the ICB took the decision to urgently explore the potential for alternative delivery models for the scheme funded by NHS capital along with the CIL that had been secured.

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- 4.3 The ICB sought to understand whether the Council would consider taking forward the delivery of the scheme through an agreement under section 2B of the NHS Act 2006. This is a proven mechanism for the NHS to pass funding to a local authority to enable the authority to act as project manager and the procuring body. Initial exploratory discussions led to a formal request for the council to engage in further scoping work at pace in order to provide an informed view regarding delivery.
- 4.4 The provision of this sort of health infrastructure is not the direct responsibility of The Council. However, the Corporate Plan 2024-27 articulates that The Council will ensure its powers are used effectively to improve health outcomes for Dartford people.
5. Cost analysis
- 5.1 In order to inform all parties about the cost of delivery the Council sought independent valuation advice. The consultants selected were asked to use the information available on the planning portal for application reference 23/00145/FUL to provide a full build and project management cost estimate. This advice can be seen at Confidential Appendix B.
- 5.2 A meeting has also taken place between officers and the previously appointed developer for the scheme. The Council will engage with the previous developer as part of the next phase of work in order to take the scheme forward informed by the progress already made on the development
6. Funding position
- 6.1 Informed by the cost plan for construction, cost of the land, the Council's costs for project management and other fees, an estimated budget of £8.7m exclusive of VAT is indicated. The Council is currently taking expert tax advice to determine whether VAT will need to be added. If this is the case the VAT will add an additional £1.7m to the overall capital cost to the ICB.
- 6.2 The ICB has confirmed capital (including VAT if applicable) will be provided for the scheme alongside the £3.6m CIL previously secured from DBC, to enable delivery of the project by DBC (See confidential Appendix C). The capital is likely to be profiled across 2026/27 and 2027/28. The profile of this will be agreed as the programme timeline is further developed and agreed with NHS England as part of the Section 2 contract.
- 6.3 The capital costs will be reviewed as the project progresses and specifically a pre-tender estimate being provided once the detailed plans are developed. The Council and ICB will operate on an open book basis and will provide full transparency of all budgets, and all costs incurred to date and in the future. The Council and ICB will collaboratively and proactively work to seek value for money in delivery and where shortfalls in the budget become apparent, the ICB and Council will work together to find savings elsewhere in the project in the first instance.

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7. VAT advice

- 7.1 Initial VAT advice has been sought by the Council from an experienced advisor and additional advice will be sought with a view to ensuring the correct VAT treatment at the lowest possible total cost to the Council / the NHS as agreements are progressed.
- 7.2 Whether developed on local authority or NHS land, these collaborations can create VAT issues because of the different VAT regimes under which local authorities and NHS bodies operate.
- 7.3 As referenced in 6.1 above, the VAT position does not affect the overall funding for the scheme as this has been secured with costs inclusive of VAT. However, any savings achieved will improve the position for the public purse.

8. Land acquisition

- 8.1 The site is currently owned by Kent County Council (KCC) and a sale price had been agreed with the previous developer.
- 8.2 Further negotiation between the Council and KCC has resulted in an agreed purchase price and Heads of Terms as detailed at Confidential Appendix D.
- 8.3 Completion of the proposed site purchase is dependent on a timetable set by KCC and may therefore be necessary before the completion of the Section 2 agreement. The Council will be required to finance the purchase until NHS funding is received. The capital programme does not currently include budget for this acquisition. Recommendation 2 seeks to add to the capital budget for this purpose and finance the spend through the use of cash balances until NHS funding can be applied. It is not proposed that the Council applies capital resources to the land purchase at this stage and as such an annual minimum revenue provision would be applicable if the purchase and funding goes over financial years.
- 8.4 The Council will carry out due diligence to the title, site conditions and exit options and seek to mitigate risks in the event of the scheme not proceeding (albeit this is considered to be a low risk).
- 8.5 Land Registry Title – The Council will ensure that there are no restrictive covenants included by KCC that prevent reselling the land or seeking an alternative use for the site should the development not proceed.
- 8.6 Site Conditions – KCC will provide any site investigation reports, and if they are not available The Council will commission a full site investigation report. The responsibility to deal with the findings will be passed in the Contract to the Contractor. Any expected increase in construction costs will be shared with the ICB at the earliest opportunity as part of the ongoing review and agreement of the budget whilst the project is further developed. The aim will always be to work collaboratively to seek value

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for money in delivery at the lowest possible total cost within the agreed budget.

- 8.7 Services – KCC will share any investigation reports. These will form part of the contractor tender pack. The responsibility to deal with the findings will be passed in Contract to the Contractor.

- 8.8 Alternative Uses – should the development not proceed Property Services will seek advice on potential alternative uses.

9. Memorandum Of Understanding (MOU) and Section 2 Contract

- 9.1 A Section 2 Contract (NHS Act 2006) would be the required mechanism for this project from an NHS perspective to provide the NHS funding. This provides an opportunity for alternative funding mechanisms for the delivery of new and improved assets to be used for healthcare services. The power set out in the Section 2 of the NHS Act (2006) specifically offers the opportunity to work with Local Authorities to deliver key strategic schemes.

- 9.2 The Section 2 contract would be between NHS England and the Council. An initial meeting with NHS England national primary care team, ICB and Council has taken place to provide information and discuss the Section 2 contract mechanism.

- 9.3 The ICB has provided a Memorandum of Understanding (MOU) to the Council to support the period before the Section 2 contract is entered into. The MOU will be between the ICB and the Council. The MOU is included at Appendix E.

- 9.4 The MOU is not legally binding but clearly sets the intention for joint working between the parties. The intention is for the MOU to be in place for a short period of time with the focus being on progress to Section 2 contract as soon as possible.

- 9.5 Nationally there are over 30 Section 2 contracts in place between NHSE and Councils. There are two Section 2 contracts in place in Kent and Medway.

10. Leases for the delivered scheme

- 10.1 On completion of the development The Council will be the landlord with the two co-located GP practices operating under long leases with The Council.

- 10.2 Both GP practices had engaged with the previous developer. It is the intention to continue these discussions and engage directly with the practices as the finer detail of the project is defined.

11. Relationship to the Corporate Plan

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While the delivery of health services is not controlled at Borough Council level we will work to identify inequalities in public health, lobby for accessible health services and ensure our powers are used effectively to improve health outcomes for Dartford people.

People and Communities

We will build and support strong communities where people live rewarding lives and have access to opportunities, services and activities regardless of their background.

12 Financial, legal, staffing and other implications and risk assessments*

Financial Implications	<p>The purpose of this project is that the Council acts as an enabling partner for the NHS and does not bear any financial cost.</p> <p>It has been identified that the purchase of land may be required before the Section 2 has been finalised. This will require a budget to be established in year to be financed once the contribution has been received as explored in Section 8.</p> <p>The would be an investment income reduction of around £30,000 per annum based on a 4% return. This is currently manageable within the investment income budget and the period of time the cash is needed is expected to be significantly less than 1 year.</p> <p>The budget for the funded development works will be included in the 2026/27 capital budget as part of the annual budget process.</p>
Legal Implications	<p>The Council has powers to acquire land for a range of functions including for the development of public services and the proper planning of the area. The Council in acquiring land would be enabling the delivery of needed public services and the proper planning of the area.</p> <p>Whilst The Council does not have direct public health or health functions, it is enabled to enter into contracts and to invest its resources for the benefit of the area including through the general power of competence. Therefore, although not a core function of the Council it is empowered to use its powers in this way.</p>
Climate Impact Assessment	<p>Included at Appendix F – though it should be noted that the scheme itself has already been through the planning process. The Impact</p>

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	Assessment only looks at the impact of the Council delivering the scheme directly.
Staffing Implications	A project manager will be appointed and managed within the Property Services team. This has been accounted for in the overall project budget and so is not a direct cost for The Council.
Administrative Implications	Line management required from Property Services Manager and project oversight by The Council's officer project board.
Risk Assessment	<p>There is a risk that The Council acquires the land as outlined in Section 8 of this report but doesn't progress with the project.</p> <p>While The Council will be in contract at various points there is a risk of non-performance from parties – eg if The Council has agreements for lease and then the building contractor fails to deliver. This is a manageable risk but one The Council needs to be aware of.</p>

6. Details of Exempt Information Category

Appendices B, C and D have been placed on the closed part of the agenda because they contain exempt information within Standing Order 46(1) (b) and Annex 1, namely, para. 3 Information relating to the financial or business affairs of any particular person (including the authority holding the information) and in all the circumstances of the case, the public interest in not disclosing the information outweighs the public interest in disclosing the information.

7. Appendices

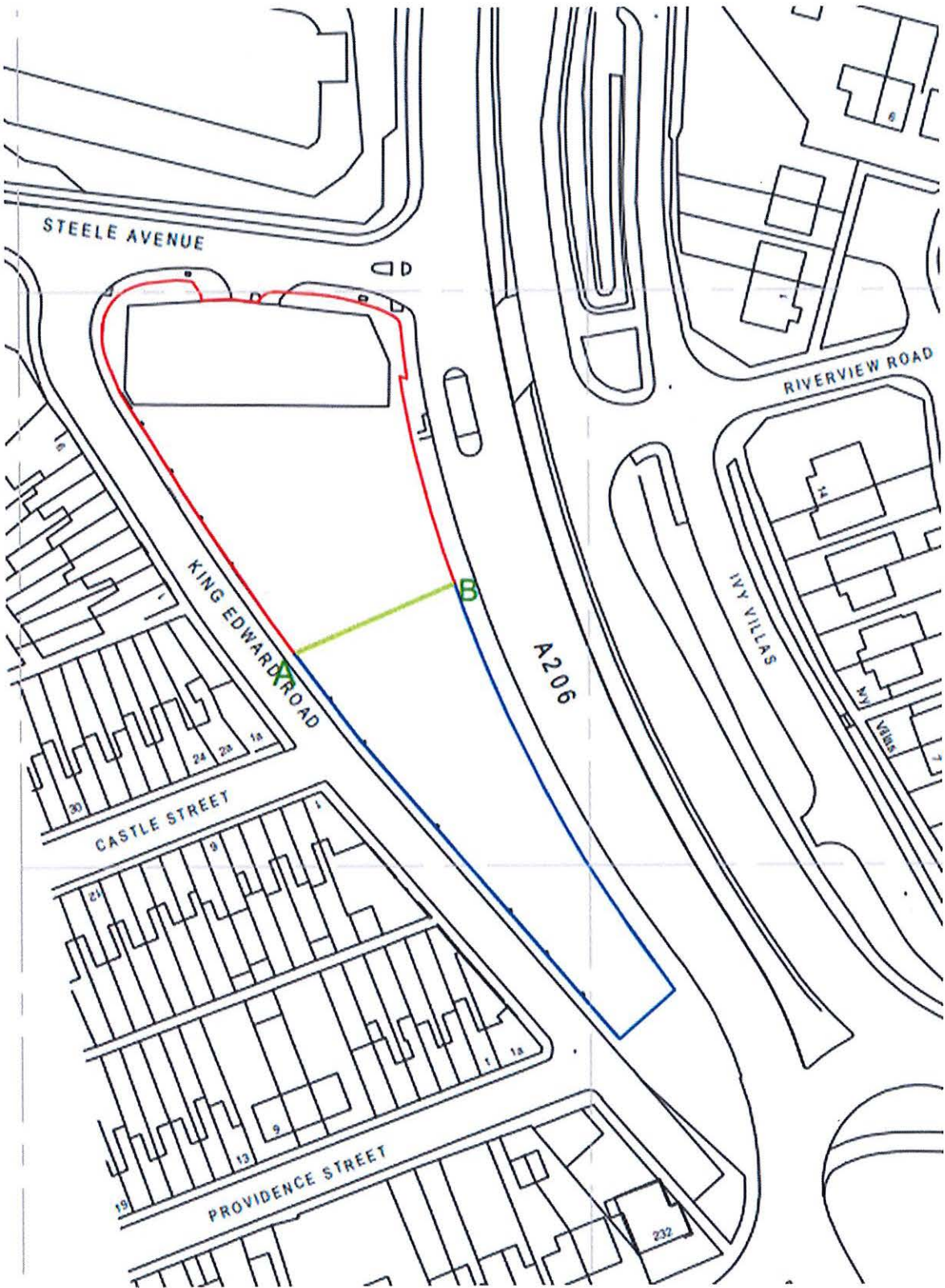
Appendix A – Site Plan
Appendix B – Confidential Cost Estimate
Appendix C – Confidential letter confirming ICB commitment
Appendix D – Confidential Draft Heads of Terms
Appendix E – Memorandum of Understanding
Appendix F – Climate Impact Assessment

BACKGROUND PAPERS

<u>Documents consulted</u>	<u>Date / File Ref</u>	<u>Report Author</u>	<u>Section and Directorate</u>	<u>Exempt Information Category</u>
		Caroline Hicks	Director of Growth and Community	N/A

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Appendix A – Indicative Site Plan



Appendices B, C, D and E are exempt items and are not publicly available.

Climate Change Impact Assessment.

1. This form should be completed for all committee decisions except planning (see below).
2. This assessment is not required to be carried out for planning applications as these are the subject of national regulations which determine the necessity or otherwise for Environment Statements to be submitted in support of planning applications under the Town and Country Planning (Environmental Impact Assessment) Regulations 2017.
3. For the purposes of this form, we refer to your policy, function, project or service as a proposal. It is not intended to be a detailed, quantified analysis of emissions - but an overview of the likely impact of your proposals.
4. Please note that a negative impact on climate change does not necessarily mean the proposal will not get approval. However, members need to be able to take the likely impact into account when considering your report, in line with climate change objectives.

For assistance in completing this form please contact Peter Dosad, Director of Housing & Public Protection

Please provide an assessment of the impact of the proposal under each of the headings below. If none, please say so.

1. Climate Change impacts

	Impact of proposal Positive/ Neutral/ Negative	Explanation of impact If you have any relevant data, please include that in the explanation and reference the source.	Mitigation
Impact on the council's target of being carbon neutral by 2030. This applies to emissions of carbon dioxide as a direct result of our own activities and services. Please consider the whole life impact of your proposals.	Neutral	The scheme has already been through the planning process and climate assessments have been made as part of that. The Council overseeing the project will not change the scheme itself but the commissioning of work through The Council's procurement processes allows for continued oversight of climate considerations through to delivery.	
Impact on carbon emissions in the Dartford Borough. This applies to the carbon dioxide emissions in the district as a result of your proposal Please consider the whole life impact of your proposals.	Neutral	The scheme has already been through the planning process and climate assessments have been made as part of that. The Council overseeing the project will not change the scheme itself but the commissioning of work through The Council's procurement processes allows for continued oversight of climate considerations through to delivery.	
Emission of other climate changing gases. including methane, Chlorofluorocarbons (CFCs), nitrous oxide	Neutral	The scheme has already been through the planning process and climate assessments have been made as part of that. The Council overseeing the project will not change the scheme itself but the commissioning of work through The Council's procurement processes allows for continued oversight of climate considerations through to delivery.	

2. Adaptation to climate change

Impact on our resilience to the effects of climate change

The greatest risks posed by climate change to the UK are:

- Flooding and coastal changes including erosion from extreme events
- Risks to health caused by high temperatures
- Water shortages and drought
- Risk to natural environments & services - landscape, wildlife, pollinators, timber etc
- Risk to food production & trade
- Emergence of new pests and diseases affecting people, plants & animals

What impact do your proposals have on our ability to resist or tackle these problems in the future?

Impact of proposal Positive/Neutral/Negative	Explanation of impact	Mitigation
Neutral	The scheme has already been through the planning process and climate assessments have been made as part of that. The Council overseeing the project will not change the scheme itself but the commissioning of work through The Council's procurement processes allows for continued oversight of climate considerations through to delivery.	

3. Further assessment work

Is a further more detailed assessment required at a later stage of this proposal?	If yes, please give a brief description

