



Department
of Health

Health Building Note 00-08

Part B: Supplementary information for Part A

October 2014

more former land holdings, or part of a site that has been changed and where a sale in parts would not achieve best value;

- disposals that are, effectively, de minimis;
- various circumstances, with specific ministerial approval, where the land is still required for some other public-sector purpose.

4.19 A solicitor or suitably qualified property surveyor should be consulted to determine whether the Crichel Down rules apply.

4.20 If the Crichel Down rules do apply, the NHS organisation should:

- establish the identity and location of the former owner or successor;
- assess the terms of the offer and method of fixing the price;
- give the former owner two months to agree the basic terms and a further six weeks to agree the price (with such extensions as appropriate). If agreement is not reached within the timescale, the land and property may be sold on the open market.

4.21 Under section 66 of the Planning and Compensation Act 1991, if land and property acquired compulsorily or sold to an authority possessing compulsory purchase powers after 25 September 1991 benefits from planning permission for an alternative use within 10 years of acquisition, the original owner should be reimbursed with any added value arising from the new planning permission.

The business case

4.22 All decisions regarding land and property should be supported by a robust business case. Due diligence will form part of the process alongside market conditions, planning, financial implications and legal title in the context of the planned disposal, and timescales. The estate records of all land and

property for disposal must be checked so that the potential proceeds from sales and savings in overheads from the disposal of different sites may be compared.

4.23 If the sale of land and property is a key part of meeting re-provision costs, consideration should be given to obtaining a preliminary report covering market conditions, planning constraints and legal title in the context of the planned disposal, and timescales, before the business case is finalised.

4.24 Covenants affecting the land and property may prevent its sale at the anticipated or higher price. Legal advice should be sought.

4.25 Whenever a property is identified as potentially surplus to requirements, the business case should identify the holding costs, including any exceptional maintenance, security or other costs.

4.26 An assessment should be made of the property's suitability for sale in its present state, and what (if any) work may need to be done to prepare it for sale.

4.27 A clear statement of responsibilities should be developed that identifies the roles to be played by individuals in the disposal team – such as management of the process and specific areas of work needed to complete the sale.

4.28 The business cases should identify the need for receiving a receipt within any particular financial year, and evaluate any exceptional risks that might arise which may delay completion of the transaction.

Managing the disposal team

4.29 Whenever a disposal is contemplated, a technical team appropriate to the size and complexity of the transaction should be appointed from the outset through to completion of the scheme.

4.30 The team should be led by a project manager (in-house or external) who should act