

Written statement of a key decision
Cabinet member corporate strategy and budget

Title	ENTERPRISE ZONE CAPITAL INTERVENTIONS PHASE 4				
Decision maker	Cabinet member corporate strategy and budget Information about cabinet, including the names and contact details of the cabinet members, can be found here: http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251				
Date of decision	15 June 2018				
Report exemption class	Open				
Reason for being a key decision	This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.				
A notice was served in accordance with Part 3 (Key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.					
General exception or special urgency (as defined in the constitution)	No				
Purpose	To agree the next phase of capital interventions to make council owned land at the Hereford Enterprise Zone (Hez) ready for investment from either private sector developers or businesses, or from direct development undertaken by the council. The capital interventions within this phase broadly relate to the provision of new road and utility infrastructure to service plots, site ground raising to comply with flooding mitigation measures, more specific plot works when end user requirements are understood, and site wide signage and landscape works.				
Decision	That: (a) £2.55m from the enterprise zone capital programme provision be allocated to the following infrastructure interventions at the Hereford enterprise zone: <table style="margin-left: 40px; border: none;"> <tr> <td style="padding-right: 20px;">Augment the zone-wide ground raising solution utilising spoil from the North Magazine</td> <td style="text-align: right;">£450k</td> </tr> <tr> <td>Road access interventions</td> <td style="text-align: right;">£400k</td> </tr> </table>	Augment the zone-wide ground raising solution utilising spoil from the North Magazine	£450k	Road access interventions	£400k
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	<p>Utilities investment as follows:</p> <ul style="list-style-type: none"> • Water, foul, gas main provisions to the North Magazine £750k • Utilities for plot C1 £300k • Specific plot by plot provision as required £150k <p>Plot works £300k</p> <p>Site wide improvement works including strategic signage and landscaping interventions £200k</p> <p>Total £2.55m</p> <p>(b) the Economic Development Manager be authorised to take all necessary operational decisions to implement the above interventions, including the appointment of contractors following an appropriate procurement process.</p>
Reason for the decision	<p>As set out in the report. Documents relating to this decision are available at</p> <p>http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?Id=50024702</p>
Options considered	<p>1. Option 1 – make no forward expenditure on the enterprise zone (EZ).</p> <p><u>Advantages</u></p> <p>There would be no further capital outlay by the council.</p> <p><u>Disadvantages</u></p> <p>This would result in applying a brake on or even end further sales of land on the zone, with consequent impact on sales receipts, business rate returns and the reputation of the council. Clients are expecting service-ready plots and the sale price reflects this. There has been no appetite to buy the land in its original state.</p> <p>2. Option 2 – agree a reduced amount of expenditure</p> <p><u>Advantages</u></p> <p>This would reduce the capital outlay by the council.</p> <p><u>Disadvantages</u></p> <p>A lower capital outlay would serve to reduce the volume of sales, which would be confined to those plots which are made ready for development. This would change the nature of the zone’s approach which has been commercial in intent and responsive to the speed of client interest. Some clients would be turned away or asked to wait. This option would not be in the council’s interest as it would reduce the capital receipts received and severely reduce the total business rate retention figures over the 25 years life time of the EZ programme up (up to 2038). Again it would impact negatively on the zone – turning away a prospective client on the basis that plots could not be made ready for them would change the perception of and reputation of the zone as a place to make</p>

	an investment
Declarations of interest (see ▪ below)	
Call-in expiry date (decisions are not subject to call-in where special urgency provisions apply)	21 June 2018

Councillor:	Date: 15 June 2018
	Cabinet member Corporate Strategy and budget (Councillor JG Lester)

- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;

and

- in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.