

Written statement of a non-key decision
Cabinet member contracts and assets

Title	Sale of land and buildings (Romney huts) within the Enterprise Zone at Chapel Road, Rotherwas
Decision maker	Cabinet member contracts and assets 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	28 June 2018
Report exemption class	Open
Purpose	To approve the marketing and sale of land for development proposals within the Hereford Enterprise Zone (EZ). The area comprises 0.96ha (2.36 acres) including 6 romney huts and surfaced bases let to third parties on various terms producing approx. £23,500p.a. Selling the site creates the opportunity for a comprehensive redevelopment with enhanced build quality and job opportunities which meet the objectives of the EZ and the EZ land disposals policy.
Decision	That: (a) the council approves in principle the disposal of its freehold interest in Romney Huts 22, 24, 26, 46, 48 & 50 and Bases 23, 25, 47 & 49 on land extending to approximately 2.36 acres at Chapel Road, Rotherwas to the preferred bidder of an informal tender competition inviting redevelopment proposals for the site.
Reason for the decision	As set out in the report. Documents relating to this decision are available at http://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?Id=50026417
Options considered	1. Not proceeding with the sale as recommended above. <u>Advantages</u> None <u>Disadvantages</u> Would not market test development proposals that the private sector could deliver for this site. Council left with low value low rent assets.

	<p>2. Seeking a sale to the highest bidder</p> <p><u>Advantages</u> Potentially, although not known until receipt of tenders, higher receipt for the Council for the land.</p> <p><u>Disadvantages</u> The highest bidder will not necessarily produce best value in terms of economic benefit, particularly the number of jobs, quality of jobs created and quality of development. To exemplify this, a large warehouse of 3,820 sq m could be accommodated on this site and may generate the highest land value. This (under industry standards) would accommodate 54 jobs, at potentially minimum wage. Alternatively an office/workshop mix of 7,640 sq m would accommodate a higher number of jobs (399), with a better mix of uses and wages but result in a lower land value.</p> <p>3. Selling existing units to existing occupiers</p> <p><u>Advantages</u> Relatively simple process.</p> <p><u>Disadvantages</u> Loss of income for the council with little change in economic value. Individual units restricted in size and scope so very limited redevelopment potential.</p> <p>4. Redevelop the site using the Development & Regeneration Partner (DRP).</p> <p><u>Advantages</u></p> <p>Council retain ownership and revenue income from the development.</p> <p>Direct control of lettings to ensure ez and economic regeneration objectives are maximised</p> <p><u>Disadvantages</u></p> <p>DRP not yet contracted so project delivery will be delayed</p> <p>Scheme may be too small or financially unattractive to council and/or DRP</p>
<p>Declarations of interest (see below)</p>	
<p>Call-in expiry date (decisions are not subject to call-in where special urgency provisions apply)</p>	<p>4 July 2018</p>

Councillor:

Date 28 June 2018

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(Councillor H Bramer)

- 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.