

**WRITTEN STATEMENT OF A NON-KEY OFFICER DECISION
ECONOMY, COMMUNITIES & CORPORATE DIRECTORATE**

ITEM:	Grant of long lease of land adjacent to the enterprise zone at Holme Lacy Road to an existing council tenant at Netherwood Road, Rotherwas
Officer Title:	Estate management officer
Date of Decision:	1 August 2017
Purpose:	To seek approval to the grant of a long lease in a small plot of land at Holme Lacy Road, Rotherwas adjacent to the enterprise zone (EZ) to an existing council tenant to allow them to expand their business and remain in their existing premises on the estate.
Decision:	<p>THAT:</p> <p>(a) a lease of approximately 0.09ha/0.24 acre at Holme Lacy Road, Rotherwas (as outlined at appendix 1) be granted to TRP Polymer Solutions Ltd for a period of approximately 116 years to 6 April 2133 in consideration of a payment of £45,000; and</p> <p>(b) the freehold ground lease of the plot referenced above be included in the planned sale of the council's freehold ground leases authorised in decision reference: 2016-17.4553.</p>
Reasons for the Decision:	<p>The land is located between the main Holme Lacy Road and the existing premises of the tenant and is of no use or value to any other potential purchaser.</p> <p>The tenant requires additional factory space and car parking as their business is growing and the existing premises is no longer sufficient for their needs. Enlarging their current premises will anchor them on the estate, safeguard current jobs and enhance further employment opportunities. The existing tenant is thus a "special purchaser" by virtue of being the only significant party having an interest in this land which forms part of the highway verge sandwiched between his boundary and the main Holme Lacy Road. Acquiring this land enables him to save all the costs and disruption of acquiring and moving to other larger premises and as such he is prepared to pay a premium of £45,000 which is far in excess of its value to anyone else. It thus represents a "windfall" receipt which is very unlikely to be achieved from any other purchaser as in isolation the land is not capable of development.</p>

	<p>In line with EZ objectives the granting of a lease will deliver private sector investment and job creation which will boost confidence and interest from others and help generate further private sector investment and job creation.</p> <p>A premium of £45,000 has been agreed which is supported by disposal prices achieved through the sale of freehold developable land in the EZ. By way of comparison freehold sale values of £200 - £225,000 per acre have been achieved which is in line with district valuer's valuations. Other than selling to the existing tenant the land will remain undeveloped as part of the highway verge which will form part of a landscaping belt in the EZ i.e. it will be left green open space and mown periodically.</p> <p>Other terms and conditions of the proposed lease will match those of the existing lease which is for a term of 125 years from 7 April 2008 expiring on 6 April 2133.</p>
Consultation:	<p>EZ stakeholder group which includes local member Councillor Summers are supportive of the proposal.</p> <p>Cabinet member for contracts and assets Councillor Bramer is supportive of the proposal.</p>
Options Considered:	<p>Not proceeding with the lease on the terms outlined below.</p> <p><u>Advantages</u> None</p> <p><u>Disadvantages</u> Would prevent the expansion of an existing business and an opportunity to realise a "windfall" capital receipt would be lost. It would also adversely impact the</p>
Declaration of Interest:	N/A

Officer Name: Andrew Lovegrove

Officer Title: Chief Finance Officer

Signature: Date: 1 August 2017