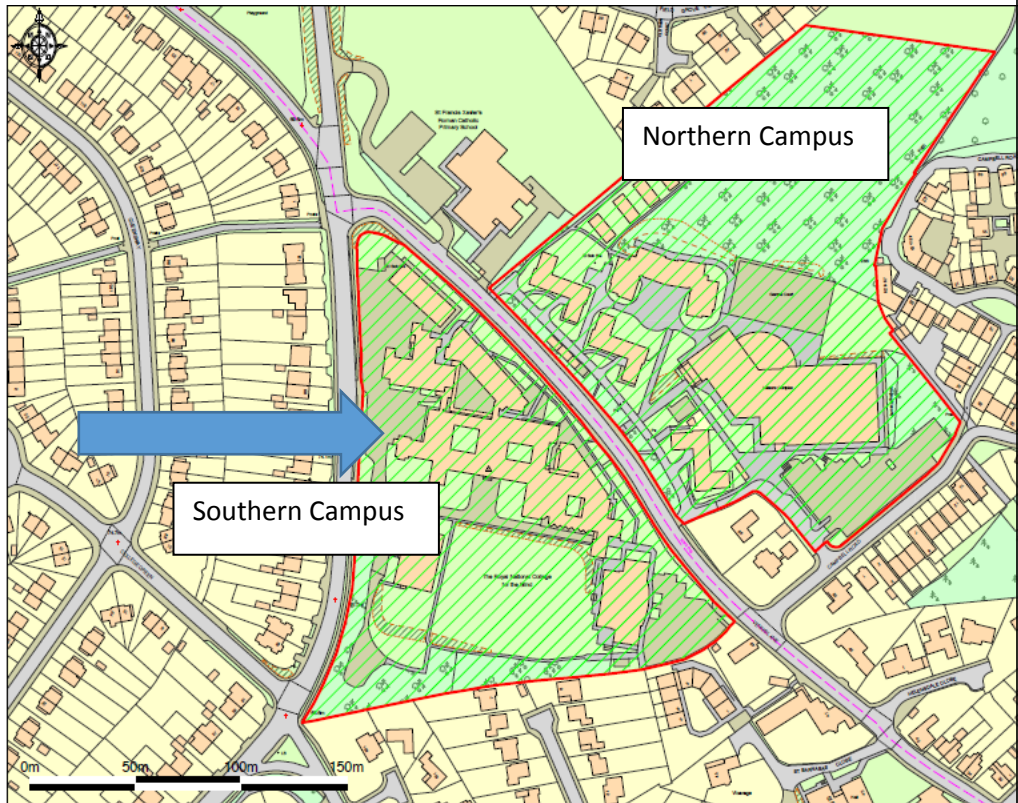


### Record of officer decision

<b>Decision title:</b>	<b>Strategic Acquisition of a Development Opportunity Site known as College Road Campus in Hereford</b>
<b>Date of decision:</b>	4th March 2019
<b>Decision maker:</b>	Acting Director for Economy & Place
<b>Authority for delegated decision:</b>	<p>The cabinet member contracts and assets agreed on 18 February 2019, subject to certain conditions being met, the purchase of the site known as College Road Campus in Hereford, approved a maximum budget of £6.25m for the purchase, and authorised the acting Director of Economy and place to take all operational decisions necessary to acquire the site.</p> <p>The conditions were that the Chief Finance Officer be satisfied that the appropriate Heads of Terms have been agreed, due diligence has been completed and the purchase provides value for money.</p>
<b>Ward</b>	College
<b>Consultation:</b>	The cabinet member contracts and assets was consulted 4 <sup>th</sup> March 2019 and confirmed his support for completion of the purchase of the site.
<b>Decision made:</b>	<p>The College Road campus (as shown below on the red line boundary map – Southern Campus Only) is purchased for a sum of £5.395m (five million, three hundred and ninety five thousand pounds).</p> 

	The anticipated costs associated with the purchase are:	
	Land Purchase	5,395,000
	Stamp Duty	259,250
	Professional Fees	92,500
<b>Reasons for decision:</b>	The reasons for the purchase are set out in the cabinet member decision report approved on the 18 <sup>th</sup> February 2019.	
<b>Section 151 officer comments</b>	<p>The Chief Finance Officer, has been consulted on the decision and has confirmed that he is satisfied that appropriate heads of terms have been agreed, due diligence has been completed and the purchase provides value for money.</p> <p>The Chief Finance Officer has confirmed that the project finance will be drawn from the Develop Partnership Capital Programme bringing forward budget allocated for 2019/20. This is funded from capital receipts reserve.</p>	
<b>Highlight any associated risks/finance/legal/equality considerations:</b>	<p>The council has undertaken the required due diligence and commissioned the following reports to inform its decision to complete the purchase of Southern Campus, Venn's Lane:</p> <p>Valuation Report prepared by Avison Young dated 22 February 2019</p> <p>Technical Due Diligence Report prepared by Avison Young dated 22 February 2019</p> <p>Planning Report prepared by Geraint John Planning dated February 2019</p> <p>These reports and the due diligence undertaken confirm that there are no unacceptable liabilities or obligations, which would impact the current use of the property. The Valuation Report supported by the Conditions Survey and Planning Report confirm that the Southern Campus, Venn's Lane has a value of £5,240,000 (five million two hundred and forty thousand pounds). This value is £155,000 (one hundred and fifty five thousand pounds) less than the agreed purchase price of £5,395,000 (five million three hundred and ninety five thousand pounds). This difference can be justified on the basis that the council is considered to be a "special purchaser" (<i>a purchaser who for his or her own reasons is prepared to pay a sum in excess of the price that other hypothetical purchasers in the market would be prepared to pay for the particular asset</i>). This is because the purchase of Southern Campus, Venn's Lane creates an opportunity for the council to develop a Higher and Further Education campus in Hereford, which would support the council's objectives and long-term aspirations to support the provision of Further and Higher Education in Herefordshire. The purchase of the Southern Campus, Venn's Lane would also de-risk the future viability of the Hereford College of Art who hold a lease of part of the Southern Campus, Venn's Lane. Therefore it is the legal department's view that regard has been had to the council's duty under section 120 (1) Local Government Act 1972, Section 1 of the Localism Act 2011 and section 3 of the Local Government Act 1999 and to the implied fiduciary duty owed by the council to local taxpayers and residents.</p>	
<b>Details of any alternative options considered and rejected:</b>	Not to proceed with the acquisition. This is not the recommended option, because if the council does not acquire the site it is highly likely that it will be acquired by a private developer with little or no interest in retaining the site for education use which supports the long term economic objectives of the council and other stakeholders.	
<b>Details of any</b>	None	

<b>declarations of interest made:</b>	
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Officer Name: Richard Ball

Officer Title: Acting Director of Economy and Place

Signed:

Date: 30 April 2019