

Councillors' questions at Cabinet – 31 January 2019

Question 1

Councillor RI Matthews, Credenhill Ward

To: cabinet member, infrastructure

A few years ago, this council paid approximately £6,000,000 (six million pounds) for the Rockfield DIY premises. A narrow strip along the one side was utilised for highway improvements. The administration has recently announced that the site is to be disposed of for the sum of £500,000 to a private developer for the construction of student accommodation. I would like someone to inform us what financial benefits or other will be obtained for the TAXPAYER from this project.

Response

The acquisition of the Rockfield site (costing £5,638,494.30 inclusive of fees) enabled the construction of the City Link Road which in turn opened up areas of previously inaccessible land for regeneration. The detailed business case published on the council's website demonstrates both the transport and regeneration benefits the overall investment in the Hereford City Centre Transport Package including the City Link Road scheme will deliver, including a net regeneration benefit of £86.6m. That business case resulted in £16m growth funding being secured from the Marches Local Enterprise Partnership. The business case is available at:

https://www.herefordshire.gov.uk/downloads/download/1819/hereford_city_centre_transport_package_business_case.

Without that purchase the scheme would not have been capable of being delivered.

The costs of acquisition cannot be compared to any current site valuation as they include legal and professional fees associated with the sale and the costs of compensation arising from the loss of the business (calculated in accordance with statutory compensation practice) which could not be relocated in the remaining land available. Any land valuation now would also take into account the fact that only 70% of the original site remains following completion of the City Link Road.

Cllr Matthews appears to have misunderstood the information provided in the report to cabinet on 13 December. The Station Approach site is not being disposed of for £500k. That financial receipt relates to the issuing of a long-term financial lease of the site so that the council does not incur build costs. The council will remain the freeholder. If at any point in the future a decision to dispose of the freehold is to be considered, it will be informed by a valuation at that time, as is usual practice.

Along with the economic benefits arising from delivery of the road that I have already referenced, the Station Approach development will support Hereford College of Arts achieve its strategy for growth and support the early development of NMiTE. The success of these higher education institutions will contribute to the growth of Herefordshire's economy creating jobs and educational opportunities in the county, bringing new students into the county and providing educational opportunities for our own young people.

Supplementary Question

I understand that when we paid this eye-watering price for this site, no one at the time discovered that there was a very large sewer pipe crossing beneath the site. Can you tell us who carried out the survey work as part of the normal process, and why they did not discover the presence of the pipe because if they had done so it would have greatly reduced its value?

Response

The pipe was known about and was on the title deeds at the point of purchase. We also know of all other utility equipment and this was all considered in the design of the city link road.