

HANDY X HUB: PROPOSED DISPOSAL OF HOTEL SITE

Cabinet Member: Cllr Steve Broadbent

Ward(s) Affected:

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PROPOSED DECISION

- (i) To dispose of the freehold interest in the hotel site at Handy X Hub
- (ii) To delegate authority to the Major Projects & Estates Executive, in consultation with the Head of Finance & Commercial Services and their respective Cabinet Members, to agree terms for the disposal and to complete the transaction

Reason for Decision

- (i) Involves a break up of site ownership
- (ii) The Scheme of Delegation limit is below the indicative level of capital receipt referred to in Para [2] in the Confidential Appendix to the report.

Corporate Implications

1. The capital programme approved in February 2018 assumes a capital receipt for the disposal of the site during 2018/19. This funding has already been allocated to fund the draft capital programme.

Section 123 of the Local Government Act 1972 empowers the Council to dispose of land in any manner it wishes to, provided it obtains the best consideration that can reasonably be obtained (except where the Secretary of State has given consent, or a short tenancy is involved, neither of which is the case in this situation).

Executive Summary

2. The consented masterplan for Handy X Hub includes a 150 bed hotel on the motorway frontage (part of 'Phase 3'). There is currently strong investor/operator interest in the site. The recommendation is to capitalise upon this, while the economy remains reasonably buoyant, by proceeding with a simple freehold sale.

Sustainable Community Strategy/Council Priorities - Implications

3. The Council's three priorities, as set out in the Corporate Plan 2015-19 are:
 - Regeneration and Infrastructure – our place priority

- Cohesive communities – our people priority
- Value for money services – our pounds priority

These priorities support the Council's long term vision to 2031 as set out in the Sustainable Community Strategy 2013 – 2031 (SCS): Wycombe District:

economically strong and the place to live, work and visit.

They are also in line with and support the five themes in the SCS:

- Thriving Economy
- Sustainable Environment
- Safe Communities
- Health and Wellbeing
- Cohesive and Strong Communities

Background and Issues

4. In order to validate the outline planning consent for the Handy X Hub masterplan, the Council has applied for Reserved Matters consent – detailed planning consent for a 150 bed hotel on a site at the western end of the Waitrose car park, with frontage to the motorway.
5. The Council has openly marketed the opportunity, via commercial agents Savills, who have attracted bids from investor/operator combinations. The hotel investment market is a specialist sector, so the funding interest is not from 'household names'. However, each potential investor is connected to a hotel operator, who will bring a known 'brand' to the site

Consultation

6. As and when appropriate, local Ward Members will be informed of the successful bidder before any public announcement.

Options

7. The option to ground lease the site would complicate the disposal, produce less certain returns and less choice of operator.

Conclusions

8. The need to capitalise upon the current demand from hotel investor/operators and to maintain momentum on the development of Handy X Hub (the hotel will represent a major inward investment) is the main driver for this transaction. The hotel is expected to generate up to 30 jobs.

Next Steps

9. To agree terms with a preferred bidder and instruct external solicitors to complete the disposal.

Background Papers

All background papers are held by the Major Projects & Estates Executive.