



Report to Leader (Property & Assets portfolio)

Decision Date: 30 July 2020

Reference number: L10.20

Title: Handy X Hub Phase 4, High Wycombe

Relevant councillor(s): Cllr John Chilver **Local members** Cllr Lesley Clarke OBE, Cllr Alan Hill
Cllr Mahboob Hussain, Cllr Mathew Davy and Cllr Brian Pearce

Author and/or contact officer: Charles Brocklehurst

Ward(s) affected: Abbey

Recommendations:

To dispose of the freehold interest of land known as Handy X Hub Phase 4, on the broad terms set out paragraph 1.2 below, with authority given to the Director of Property and Assets, subject to consultation with the Cabinet Member for Property and Assets, the S151 Director and the Director of Finance, to agree final terms for the disposal of the asset in accordance with the recommendations set out in the Confidential Annex considered at Part 2 of this agenda, agree binding contracts, exchange and subject to planning, complete.

There are confidential appendices relating to this report which are exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because they contain information relating to the financial or business affairs of any particular person (including the authority holding that information)

Executive summary

- 1.1 The previous report to Property Board in March 2020, proposed that the Council fund the development of this 1.6 ha (4 acre) site by a car dealership (Rybrook), with a pre-let to them. However Property Board's willingness to invest was conditional upon obtaining some form of car manufacturer's underwriting of the proposed lease.
- 1.2 Covid 19 has delayed negotiations but they have now concluded, and no financial guarantee will be forthcoming from the car manufacturer. As a result, the proposed pre-letting is not considered to be a prudent investment for the Council. So in order

to facilitate the proposed development, to attract the substantial inward investment involved, the jobs created and a large capital receipt, the Council will have to dispose of the site outright to Rybrook on the terms set out in the Confidential Annex and let them fund their proposed development.

Content of report

- 1.3 Handy X Hub is the former a 6.8 ha (17 acre) Wycombe Sports Centre site adjacent to Jn4/M40. Wycombe District Council developed the site with a replacement new leisure centre, pre-let Waitrose store and coach way park and ride, day nursery and all on-site infrastructure for remaining development sites. Two of these serviced sites have already been sold freehold for a 150 bed Hampton by Hilton hotel (under construction) and for an Access Self-Storage/office scheme (planning application imminent). The remaining 1.6 ha (4 acre) site is known as Phase 4. It is currently let on a short term lease under a temporary planning consent for van storage, producing a rent of £205,000pa.
- 1.4 In December 2019, it was reported to Property Board that interest had been generated from a car dealership, to develop the site for two high end car showrooms/after sales centres. At that time, the Council was keen to get money into the property, so the proposal was to 'forward purchase' the completed proposed development, subject to a pre-letting to the car dealership. After subsequent due diligence, Property Board were concerned that the financial dependency of the dealership on retaining the two high end brands, meant that some form of financial underwriting of the lease, by the brands' manufacture would be required.
- 1.5 Covid 19 stopped negotiations for this complex transaction from being progressed until last month. A (distanced) meeting was held with the manufacture on 22 June, at the dealership's Solihull 'supercars' headquarters. The manufacturer categorically refused to take any financial interest in the proposed lease. The dealership is however willing to proceed by self-funding the proposed development, on the basis of purchasing the freehold of the site. The terms of the proposed disposal are set out in the Confidential Annex.

Other options considered

- 1.6 If the council wants to secure the inward investment, jobs and capital receipt, on a 'bird in hand' basis, outright disposal is the only option. An alternative masterplan of the Phase 4 site, based on mixed use, carries a higher planning risk and less certainty, in terms of a financial outcome.

Legal and financial implications

- 1.7 The revenue income we currently receive from the existing tenants has always been treated as a one-off opportunity and is therefore not built into the base income budget for Property; stopping the revenue income stream will therefore not impact on the forecast outturn for Property, nor create any ongoing pressures.
- 1.8 This proposal, which (subject to planning) will generate a substantial capital receipt, is not in the Council's projected capital receipts and would help to support the delivery of the capital receipt target in the current capital programme. This is particularly important given the uncertainty of delivering some of the original potential receipt opportunities in the current economic climate. There are no additional legal implications to consider that are not addressed within the report.

Key Risks

- 1.9 Planning permission

Corporate implications

- 1.10 None (note; the main proposed car showroom will be offering a new all electric car range in due course).

Consultation and communication

- 1.11 This will form part of the dealerships planning application process.

Next steps and review

Instruct external solicitors (Bevan Britton)

Background papers

Held by Property & Assets' Major Projects Executive

