

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

25 June 2015

12(a)

Report Title	SALE OF FORMER SHIP INN, BRISTOL ROAD, STONEHOUSE
Purpose of Report	To consider the up to date position on the disposal of this site.
Decision(s)	Strategy and Resources Committee RESOLVES to delegate the disposal of the former Ship Inn site, Stonehouse to the Head of Asset Management in consultation with the Chairs of Strategy and Resources and Community Services Committees and the Strategic Head (Finance & Business Services) for best consideration.
Consultation and Feedback	Stonehouse Town Council has requested that the site's use has benefit to the community. Ward members, wish to see some community benefit on the site
Financial Implications and Risk Assessment	The proceeds from the site are included in the funding of the canal project estimated at £550,000. Should a lower sum be realised, the shortfall on the canal funding will increase. Sandra Cowley, Strategic Head (Finance & Business Services) Tel: 01453 754136 Email: sandra.cowley@stroud.gov.uk There is a risk that a sale does not proceed and/or markets change, impacting on the value of the site.
Legal Implications	The property is now being re-marketed with the aim of considering the maximum proceeds of sale. If a lower offer is preferred, the Council may dispose of any of its land at an undervalue if: (a) the committee considers that the purpose of the disposal is likely to contribute towards the economic, social or environmental well being of the area AND (b) the difference between the full value and the undervalue does not exceed £2 million. Consequently if the recommendation is to be

	<p>accepted by the committee, it is imperative to avoid legal challenge that it clarifies the relevant benefits to which condition (a) refers.</p> <p>It would also be necessary to ensure that any final proposal does not conflict with EU requirements in respect of State Aid and Procurement.</p> <p>The legal transfer documentation will need to stipulate the Council's requirements with regard to the development of the site and as such any requirements should be clarified before the transfer proceeds.</p> <p>Karen Trickey, Legal Services Manager & Monitoring Officer Tel: 01453 754369 Email: karen.trickey@stroud.gov.uk</p>
Report Author	<p>Alison Fisk Head of Asset Management (joint) Tel: 01453 754430 Email: alison.fisk@stroud.gov.uk</p>
Chair of Committee	n/a
Options	<ol style="list-style-type: none"> 1. Retain site as general amenity land 2. Dispose of site without restrictions 3. Dispose of site with restrictions
Performance Management Follow Up	To exchange contracts for the disposal of the site by December 2015
Background Papers/ Appendices	Appendix A – Site Plan

1. Background

1.1. The marketing process for this site began in February 2014. The marketing material highlights a preference for the site's use to be accessible and for the benefit of the community and the particulars state that such uses might include A3 restaurant, A4 pub and D2 assembly and leisure. Bids were reported to Committee in June 2014, where a late bid resulted in another shorter remarketing exercise resulting in the subsequent report of higher bids to Committee in October last year.

1.2. At its meeting on 2nd October 2014 Strategy and Resources Committee confirmed its preferred use for the former Ship Inn site, Bristol Road, Stonehouse as a petrol filling station, shop and cafe and delegated authority to the Head of Asset Management to agree Heads of Terms

to dispose of the site to the preferred bidder subject to contracts being exchanged by the 31st December 2014.

1.3. Consequently officers entered into negotiations with the preferred bidder and contracts were sent out. Whilst the bid submitted by the developer was not conditional on an operator being signed up for the scheme it became apparent that this was the case. The developer has been unable to meet an extended deadline for exchange of contracts and the deal has fallen through.

1.4. During the marketing process Committee has commented that continued encouragement should be given towards uses that included a benefit to the community and this is supported by the Town Council and Ward members. The site remains on the market.

2. Site Value

2.1. It has not been possible to realise the higher value from a petrol filling station use, and interest in this use appears to have dissipated, affected to some extent by the supermarket applications in and around Stroud and to the market changing.

2.2. Officers have asked the next 2 highest bidders to confirm their interest and bids for the site, but are not expecting a petrol filling station to be a proposed use. Members will recall that the 3 highest bids that were received all included some element of community use..

3. Discussion

3.1. The value of the site is still likely to exceed delegated limits (£250,000) for property within the general fund. As has been demonstrated by the last round of bidding, there is potential to achieve best consideration for the site whilst providing some community use linked to the canal.

3.2. In order to progress the disposal of this site in a reasonable timeframe it is recommended that officers are given delegated authority to agree terms with the aim of achieving best consideration for the site whilst including some community benefit.