

CABINET MEETING – 11 FEBURARY 2015

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Disposal of land east of Ryhope Road, Sunderland

Author(s):

Report of the Deputy Chief Executive

Purpose of Report:

To seek approval for the disposal of land east of Ryhope Road, Sunderland.

Description of Decision:

Cabinet is recommended to:

Agree to the disposal of the Council's freehold interest in approximately 1.9 acres of land east of Ryhope Road, Sunderland to Lidl UK GmbH at a price which is the best consideration reasonably obtainable and on terms to be agreed by the Deputy Chief Executive, Leader and Cabinet Secretary.

Is the decision consistent with the Budget/Policy Framework?

Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To secure further investment in the city and facilitate a commercial development on a currently vacant site and which will be of benefit to the Council by providing a satisfactory capital receipt and securing an increase in Business Rates.

Alternative options to be considered and recommended to be rejected:

The alternative options are:-

- (i) Retain the land. The land was acquired to facilitate the development of the Southern Radial Route. Following the completion of this scheme the land is no longer required for Council use. The Council will continue to incur holding costs of the vacant site if it is retained.
- (ii) Advertise the site on the open market. The Council has received an offer for the site without the costs and delay of marketing the opportunity. The offer complies with the Council's statutory duty to obtain the best consideration reasonably obtainable for disposals of land which is supported by external valuation evidence. The proposed development is appropriate, in principle, in planning terms.

Both options have been considered and are not recommended.

Impacts analysed;

Equality N/A Privacy N/A Sustainability N/A Crime and Disorder N/A

**Is this a “Key Decision” as defined
in the Constitution? Yes**

**Is it included in the 28 day Notice
of Decisions? Yes**

Scrutiny Committee

DISPOSAL EAST OF RYHOPE ROAD, SUNDERLAND

REPORT OF THE DEPUTY CHIEF EXECUTIVE

1.0 Purpose of the Report

1.1 To seek approval for the disposal of land east of Ryhope Road, Sunderland.

2.0 Description of Decision

2.1 Cabinet is recommended to:

Agree to the disposal of the Council's freehold interest in approximately 1.9 acres of land east of Ryhope Road, Sunderland to Lidl UK GmbH at a price which is the best consideration reasonably obtainable and on terms to be agreed by the Deputy Chief Executive, Leader and Cabinet Secretary.

3.0 Background

3.1 The Council owns the freehold of the land east of Ryhope Road, Sunderland, shown verged black on the plan in Appendix 1.

3.2 The Council purchased the land to facilitate the development of the Southern Radial Route. Following completion of this scheme the land is no longer required for Council use and remains vacant.

4.0 Current Position

4.1 Lidl UK GmbH (Lidl) has approached the Council expressing an interest in acquiring the land. Lidl have already invested in the area by developing and operating a store on the adjacent site and they now intend to provide further investment by building a further new format store on the Council land.

4.2 It is considered appropriate to assist with the proposed new development and to deal directly with Lidl as should they acquire the Council land this enables them to invest in the area by building a new format store whilst being able to continue to trade from the adjacent existing store. It is proposed the existing store

4.3 be sold by Lidl upon completion of the new store.

Lidl has made a financial offer for the site which is considered to meet the Council's obligation to obtain the best consideration reasonably obtainable pursuant to section 123 of the Local Government Act 1972.

The offer has been confirmed by an external third party valuation as representing best consideration.

5.0 Reasons for Decision

To secure further investment in the city and facilitate a commercial development on a currently vacant site and which will be of benefit to the Council by providing a satisfactory capital receipt and securing an increase in Business Rates.

6.0 Alternative Options

The alternative options are:-

- (i) Retain the land. The land was acquired to facilitate the development of the Southern Radial Route. Following the completion of this scheme the land is no longer required for Council use. The Council will continue to incur holding costs of the vacant site if it is retained.
- (ii) Advertise the site on the open market. The Council has received an offer for the site without the costs and delay of marketing the opportunity. The offer complies with the Council's statutory duty to obtain the best consideration reasonably obtainable for disposals of land which is supported by external valuation evidence. The proposed development is appropriate, in principle, in planning terms.

Both options have been considered and are not recommended.

7.0 Impact Analysis

7(a) Equalities – N/A

7(b) Privacy Impact Assessment (PIA) – N/A

7(c) Sustainability

Sustainability Impact Appraisal

Sunderland Strategy Objectives cross check with decisions outcomes:

- **Prosperous City**

The development will provide a new retail development and construction and retail jobs created from the development.

- **Healthy City / Safe City**

No impact

- **Learning City**

No impact

- **Attractive and Inclusive City**

No impact

7(d) Reduction of Crime and Disorder – Community Cohesion / Social Inclusion – N/A

8. Other Relevant Considerations / Consultations

8 (a) Financial Implications / Sunderland Way of Working

The Director of Finance has been consulted and comments are contained in this report.

8 (b) Risk Analysis

None.

8 (c) Employee Implications

None.

8 (d) Legal Implications

The Head of Law and Governance has been consulted and comments are contained in this report.

8 (e) Policy Implications

None.

8 (f) Health and Safety Considerations

None

8 (g) Property Implications

The property implications are detailed in this report.

8 (h) Implications for Other Services

None.

8 (i) The Public

None.

8 (j) Compatibility with European Convention on Human Rights

N/A

8 (k) Project Management Methodology

N/A

8 (l) Childrens Services

N/A

8 (m) Procurement

N/A

9. Glossary

N/A

10. List of Appendices

Appendix 1 Plan of land east of Ryhope Road, Sunderland

11. Background Papers

N/A