

**CABINET MEETING – 11 MARCH 2015**  
**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

Disposal of land at Crowtree Road, Sunderland

**Author(s):**

Report of the Deputy Chief Executive

**Purpose of Report:**

To seek approval for the disposal by way of a ground lease of land at Crowtree Road, Sunderland.

**Description of Decision:**

Cabinet is recommended to:

Agree to the disposal by way of a ground lease of approximately 0.55 ha (1.35 acres) of land at Crowtree Road, Sunderland to Pavilion Property Trustees Limited and Pavilion Trustees Limited (“Pavilion”) at a price which is the best consideration reasonably obtainable on terms to be agreed by the Deputy Chief Executive in consultation with the 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, facilitate a commercial development which will enhance the Cities retail offer, provide employment opportunities and be of benefit to the Council by providing a satisfactory financial receipt and an increase in Business Rates

Disposing of the land to the adjacent owners enables a more comprehensive development to be undertaken with the existing retail outlets.

**Alternative options to be considered and recommended to be rejected:**

The alternative options are:-

- (i) Retain the land. This would not secure further investment in the City or the financial receipt, business rates and employment opportunities. In addition to this the Council would continue to incur to costs associated with holding the site.

<p>(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 and which will be supported by external valuation evidence.</p> <p>Both options have been considered and are not recommended</p>	
<p><b>Impacts analysed;</b></p> <p><b>Equality N/A    Privacy N/A    Sustainability N/A    Crime and Disorder N/A</b></p>	
<p><b>Is this a "Key Decision" as defined in the Constitution?</b></p> <p style="text-align: center;"><b>Yes</b></p>	<p><b>Scrutiny Committee</b></p>
<p><b>Is it included in the 28 day Notice of Decisions?</b></p> <p style="text-align: center;"><b>Yes</b></p>	

**DISPOSAL OF LAND AT CROWTREE ROAD SUNDERLAND**

**REPORT OF THE DEPUTY CHIEF EXECUTIVE**

**1.0 Purpose of the Report**

- 1.1 To seek approval for the disposal by way of a ground lease of land at Crowtree Road, Sunderland.

**2.0 Description of Decision**

- 2.1 Cabinet is recommended to:

Agree to the disposal by way of a ground lease of approximately 0.55 ha (1.35 acres) of land at Crowtree Road, Sunderland to Pavilion Property Trustees Limited and Pavilion Trustees Limited ("Pavilion") at a price which is the best consideration reasonably obtainable on terms to be agreed by the Deputy Chief Executive in consultation with the Leader and Cabinet Secretary.

**3.0 Background**

- 3.1 The Council completed the demolition of part of the former Crowtree Leisure Centre in 2014 which created a potential development site to support the wider regeneration of the city centre. The subject site is shown verged black on the plan in Appendix 1.

- 3.2 The Council have been in discussions with Pavilion who are the owners of the Bridges Shopping Centre with regard to the development on the subject land.

**4.0 Current Position**

- 4.1 Pavilion have made an offer to acquire a ground lease on the subject land for the development of a new retail store. The terms for the disposal are acceptable in principle and represent the price which is the best reasonably obtainable for the Council and which will be supported by external valuation advice. .

Due to their ownership of the adjacent Bridges Shopping Centre, dealing directly with Pavilion is considered advantageous as it enables a more comprehensive development to be undertaken in terms of access, construction and future management.

The disposal will be conditional upon approval of the design proposals for the proposed development and Pavilion obtaining satisfactory planning permission for the scheme.

Agreement to the proposals contained within this report will enable a conditional contract to be entered into with Pavilion to progress the scheme to the next stages of full design and planning application.

## **5.0 Reasons for Decision**

To secure further investment in the City, facilitate a commercial development which will enhance the Cities retail offer, provide employment opportunities and be of benefit to the Council by providing a satisfactory financial receipt and an increase in Business Rates

Disposing of the land to the adjacent owners enables a more comprehensive development to be undertaken with the existing retail outlets.

## **6.0 Alternative Options**

(i) Retain the land. This would not secure further investment in the City or the financial receipt, business rates and employment opportunities. In addition to this the Council would continue to incur to costs associated with holding the site.

(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 and which will be supported by external valuation evidence.

Both options have been considered and are not recommended.

## **7.0 Financial Implications**

The development will create additional income to the Council through the receipt of business rates following completion of the development and provide a satisfactory financial receipt from the disposal of the land.

- 8.0 Impact Analysis**
- 8(a) Equalities – N/A**
- 8(b) Privacy Impact Assessment (PIA) – N/A**
- 8(c) Sustainability**

### **Sustainability Impact Appraisal**

Sunderland Strategy Objectives cross check with decisions outcomes:

- Prosperous City**

The development will result in the delivery new development in the city centre increasing the retail offer benefiting the city and creating new job opportunities and significant private sector investment.

- Healthy City / SafeCity**

No impact

- LearningCity**

No impact

- Attractive and Inclusive City**

The development will accord with the Council's vision for attractive and inclusive development

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

### **9. Other Relevant Considerations / Consultations [**

- 9 (a) Financial Implications / Sunderland Way of Working**

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

- 9 (b) Risk Analysis**

None

- 9 (c) Employee Implications**
- None.
- 9 (d) Legal Implications**
- The Head of Law and Governance has been consulted and comments are contained in this report.
- 9 (e) Policy Implications**
- None.
- 9 (f) Health and Safety Considerations**
- None
- 9 (g) Property Implications**
- Property Services have undertaken a valuation exercise and will obtain external valuation advice to confirm a price which is the best consideration reasonably obtainable for the disposal of the land in accordance with Section 123 of the Local Government Act 1972 which is the statutory provision enabling local authorities to dispose of land.
- 9 (h) Implications for Other Services**
- None
- 9 (i) The Public**
- None.
- 9 (j) Compatibility with European Convention on Human Rights**
- N/A
- 9 (k) Project Management Methodology**
- N/A
- 9 (l) Children's Services**
- N/A

**9 (m) Procurement**

None

**10. List of Appendices**

Appendix 1 Plan of Land adjacent to Crowtree Road, Sunderland

**11. Background Papers**

N/A

