

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

Title of Report:

Disposal of 50 Fawcett Street, 15-16 John Street, and the upper floors of Cassaton House, Fawcett Street, Sunderland.

Author(s):

Report of the Deputy Chief Executive

Purpose of Report:

To seek approval for the disposal of the Council's freehold interest in 50 Fawcett Street, 15-16 John Street, and leasehold interest in the upper floors of Cassaton House, Fawcett Street, Sunderland.

Description of Decision:

Cabinet is recommended to:

Agree to the disposal of the Council's freehold interest in 50 Fawcett Street and 15-16 John Street and leasehold interest in upper floors of Cassaton House, Fawcett Street, Sunderland at a price which is the best reasonably obtainable and 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:

50 Fawcett Street, 15-16 John Street and Cassaton House are currently vacant and surplus to operational requirements. Their disposal will secure further investment in the City, obtain a significant capital receipt for the Council and the Council will be relieved of the on-going holding costs for the buildings.

Alternative options to be considered and recommended to be rejected:

The alternative option is:-

Retain the properties. The properties are currently vacant and surplus to operational requirements. Being vacant they carry holding costs of rates, insurance and security. Retaining them would not secure further investment in the City or the capital receipt.

This option has been considered and is 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 OF 50 FAWCETT STREET, 15-16 JOHN STREET AND THE UPPER FLOORS OF CASSATON HOUSE, FAWCETT STREET, SUNDERLAND.

REPORT OF THE DEPUTY CHIEF EXECUTIVE

1.0 Purpose of the Report

- 1.1 To seek approval for the disposal of the Council's freehold interest in 50 Fawcett Street, 15-16 John Street, and leasehold interest in the upper floors of Cassaton House, Fawcett Street, Sunderland.

2.0 Description of Decision

- 2.1 Cabinet is recommended to:

Agree to the disposal of the Council's freehold interest in 50 Fawcett Street and 15-16 John Street and leasehold interest in upper floors of Cassaton House, Fawcett Street, Sunderland at a price which is the best reasonably obtainable and 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 owns the freehold of 50 Fawcett Street and 15-16 John Street, and the long leasehold of the upper floors of Cassaton House, located in the City Centre and shown cross hatched on the plan in Appendix 1.
- 3.2 The properties, most recently used as office accommodation, are currently vacant and have been declared surplus to operational requirements following the Council's Smarter Working Project.
- 3.3 The properties have been advertised on the open market by the Council's appointed agents, GVA and Lofthouse and Partners.
- 3.4 Minton Group Limited (Minton) has approached the Council expressing an interest in acquiring the properties with proposals to convert the properties to student accommodation.

3.5 Student accommodation is considered an appropriate development in this location as it accords with the current and emerging planning position.

4.0 Current Position

4.1 Minton has made a financial offer for the properties 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.

4.2 The sale is conditional upon:

- Minton obtaining planning permission for a change of use to student housing,
- Minton accepting a limitation on use to avoid the properties being used for undesirable uses including hostels and houses in multiple occupation.
- Satisfactory surveys of the properties, and,
- The consent of the freeholder of Cassaton House to the proposed change of use from office to residential student accommodation.

5.0 Reasons for Decision

50 Fawcett Street, 15-16 John Street and Cassaton House are currently vacant and surplus to operational requirements. Their disposal will secure further investment in the City, obtain a significant capital receipt for the Council and the Council will be relieved of on-going holding costs for the buildings.

6.0 Alternative Options

The alternative option is:-

Retain the properties. The properties are currently vacant and surplus to operational requirements. Being vacant they carry holding costs of rates, insurance and security. Retaining them would not secure further investment in the City or the capital receipt.

This option has been considered and is 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 sale will result in new student accommodation development.

• Healthy City / Safe City

No impact

• Learning City

The sale will result in new student accommodation development.

• Attractive and Inclusive City

No impact

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

8. Other Relevant Considerations / Consultations

Property Services have undertaken a valuation exercise which confirms that a price which is the best reasonably obtainable is being achieved 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.

8 (a) • Financial Implications / Sunderland Way of Working

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

8 (b) • Risk Analysis

N/A

8 (c) • Employee Implications

N/A

8 (d) • Legal Implications

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

8 (e) • Policy Implications

N/A

8 (f) • Health & Safety Considerations

N/A

8 (g) • Property Implications

The Properties were included in the Smarter Working Review.

8 (h) • Implications for Other Services

N/A

8 (i) • The Public

N/A

8 (j) • Compatibility with European Convention on Human Rights

N/A

8 (k) • Project Management Methodology

N/A

8 (l) • Children's Services

N/A

8 (m) • Procurement

N/A

9. List of Appendices

Appendix 1 Plan of 50 Fawcett Street, 15-16 John Street and upper floors of Cassaton House.

10. Background Papers

N/A

