

CABINET MEETING – 7 November 2012 EXECUTIVE SUMMARY SHEET – PART I	
Title of Report:	Disposal of land and premises at Unit 3 Rainton Bridge South, Houghton le Spring, Sunderland
Author(s):	Report of the Deputy Chief Executive
Purpose of Report:	This report seeks approval of Cabinet to delegate authority to agree terms for the disposal of the freehold interest in land and premises at Unit 3 Rainton Bridge South, Houghton le Spring, Sunderland.
Description of Decision:	<p>Cabinet is recommended to;</p> <p>i) agree to delegate authority to the Deputy Chief Executive in consultation with the Leader and Cabinet Secretary to agree terms for the disposal of the freehold interest in land and premises at Unit 3 Rainton Bridge South, Houghton le Spring, Sunderland to Connor Solutions Limited.</p>
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:	The Lease of Unit 3 Rainton Bridge South dated 21 August 2001 from the Council to Connor Solutions Limited contains a tenant's, option to purchase the Council's freehold interest in the premises and expansion land adjacent to the same. The Tenant is to exercise this option in accordance with the terms of the Lease.
Alternative options to be considered and recommended to be rejected:	Given the contractual obligations under the terms of the lease, there are no alternative options.
Impacts analysed;	
Equality N/A Privacy N/A Sustainability Yes Crime and Disorder N/A	

<p>Is this a “Key Decision” as defined in the Constitution? Yes</p> <p>Is it included in the 28 day Notice of Decisions? Yes</p>	<p>Scrutiny Committee</p>
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**DISPOSAL OF LAND AND PREMISES AT UNIT 3 RAINTON BRIDGE SOUTH,
HOUGHTON LE SPRING, SUNDERLAND**

REPORT OF THE DEPUTY CHIEF EXECUTIVE

1.0 Purpose of the Report

- 1.1 This report seeks approval to delegate authority to the Deputy Chief Executive to agree terms for the disposal of the freehold interest in land and premises at Unit 3 Rainton Bridge South, Houghton le Spring, Sunderland.

2.0 Description of Decision

- 2.1 Cabinet is recommended to;
- i) agree to delegate authority to the Deputy Chief Executive to agree terms for the disposal of the freehold interest in land and premises at Unit 3 Rainton Bridge South, Houghton le Spring, Sunderland to Connor Solutions Limited.

3.0 Background

- 3.1 The Council owns the freehold interest in Unit 3 Rainton Bridge South, a 30,000 sq ft industrial unit, together with the adjacent land which comprises a 1.6 acre development site identified as expansion space for the unit.
- 3.2 Unit 3 Rainton Bridge South is occupied by Connor Solutions Limited under the terms of a Lease dated 21 August 2001.
- 3.3 The terms of the Lease include a Tenant's 'option to purchase the freehold interest' in the premises and expansion land adjacent to the same. The Tenant is to exercise this option in accordance with the terms of the Lease.

4.0 Current Position

- 4.1 Following the exercise of the notice the Council are required to use their reasonable endeavours to reach agreement as to the Open Market Value of the of the land and premises with the Tenant. In absence of an agreement the matter will be referred to a third party to determine. The agreed price will represent Best Consideration for the Council. Once agreement has been reached, the Tenant can serve notice requiring the sale to be completed within 21 days.

5.0 Reasons for Decision

- 5.1 The Lease of Unit 3 Rainton Bridge South dated 21 August 2001 between the Council and the Connor Solutions Limited contains a Tenant's option to purchase the freehold interest in the premises and expansion land adjacent to the same. The Tenant is to exercised this option in accordance with the terms of the Lease.

6.0 Alternative Options

Given the contractual obligations under the terms of the lease, there are no alternative options.

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**

No impact

- **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

The Head of Financial Resources and the Head of Law and Governance both on behalf of the Executive Director of Commercial and Corporate Services have been consulted and their comments are contained in this report

A valuation exercise will confirm that Best Consideration is being obtained 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. List of Appendices

Appendix 1, Plan of land and premises at Unit 3 Rainton Bridge South.

10. Background Papers

There were no background papers relied upon to complete this report.

