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Memo

From	E. Waugh	Date	07.09.2011
Title	Head of Law and Governance	Ext	561 1042
Service	Law and Governance		
Subject	CABINET MEETING – 7 SEPTEMBER 2011		
To	All Cabinet Members		
Copied to	All Cabinet Officers		

I enclose a copy of the report under item 11 of the agenda, "Disposal of St. Mark's Garage, St. Mark's Road, Millfield, Sunderland," which has had the exempt information removed to allow the report to be considered in public.

Kindly note that the venue for the Cabinet meeting has been changed to the Council Chamber.



Head of Law and Governance.

CABINET MEETING – 7 SEPTEMBER 2011

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Disposal of St Marks Garage, St Marks Road, Millfield, Sunderland

Author(s):

Report of the Deputy Chief Executive

Purpose of Report:

This report seeks approval to the disposal of the Council's freehold interest in St Marks Garage, St Marks Road, Millfield, Sunderland.

Description of Decision:

Cabinet is recommended to authorise the sale of St Marks Garage, conditional on planning approval, to the Pakistani Islamic and Community Centre for best consideration and on the terms agreed by the Deputy Chief Executive.

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 premises are considered to be surplus to operational requirements and their disposal will meet a need for a local community facility and secure a capital receipt for the Council.

Alternative options to be considered and recommended to be rejected:

1. Retain the premises for operational use. The premises are used to garage transport vehicles but have previously been identified as potentially surplus to requirements as part of the property rationalisation programme. Existing capacity elsewhere in the Council property portfolio can be better utilised so as to enable the release of this building.
2. Release the premises to the open market. An opportunity has arisen through this disposal that clearly meets a local community need. Independent valuation advice has confirmed that the terms that have been provisionally agreed are at market value and as a consequence the Council's duty to secure best consideration can be met without the property going to the market.

Both of these options have been considered but for the reasons set out above are not recommended.

<p>Is this a “Key Decision” as defined in the Constitution? Yes</p> <p>Is it included in the Forward Plan? Yes</p>	<p>Relevant Scrutiny Committee: Management</p>
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CABINET – 7 SEPTEMBER 2011

DISPOSAL OF ST MARKS GARAGE, ST MARKS ROAD, MILLFIELD, SUNDERLAND

REPORT OF THE DEPUTY CHIEF EXECUTIVE

1.0 Purpose of the Report

- 1.1 This report seeks approval to the disposal of the Council's freehold interest in St Marks Garage, St Marks Road, Millfield, Sunderland.

2.0 Description of Decision

- 2.1 Cabinet is recommended to authorise the sale of St Marks Garage, conditional on planning approval, to the Pakistani Islamic and Community Centre for best consideration and on the terms agreed by the Deputy Chief Executive.

3.0 Background

- 3.1 The Council owns the freehold of St Marks Garage as shown on the attached plan.
- 3.2 The Pakistani Islamic and Community Centre (the Centre) have expressed an interest in acquiring the property to redevelop the site as a mosque and community centre.

4.0 Current Position

- 4.1 Under the adopted Strategy of Disposal of Surplus Assets, the general position is that Council property is advertised for sale on the open market as a method to ensure that Best Consideration is received. However, other disposal routes can be used provided that Best Consideration is received.

- 4.2 A sale directly to the Pakistan Islamic Community Centre is considered appropriate in this instance as they have been able to provide a supporting business case by demonstrating a recognised use and have confirmed there is no borrowing required to complete the purchase. The proposed sale will be subject to the prior grant of planning permission of the proposed development.
- 4.3 Following an offer from the Centre a price for the disposal has been agreed. Independent expert advice has been taken from a local firm of Chartered Surveyors who have confirmed that the agreed price represents Market Value for the property, and consequently the Council's duty to achieve Best Consideration can be met.
- 4.4 The property is currently occupied by Health Housing and Adult Services who use the building as an operational base for providing nursery transport on behalf of Children's Services. It also provides parking for mini buses used by Age UK and a small number of vehicles owned by City Services. It has been identified as a disposal opportunity for some time and consideration is being given to the re-location of the current operations.
- 4.5 Any disposal will be subject to the Centre obtaining planning permission for their proposals and the Council successfully relocating the current operation to alternative premises.

5.0 Reason for Decision

- 5.1 The premises are considered to be surplus to operational requirements and their disposal will secure a capital receipt for the Council.

6.0 Alternative Options to be Considered and Recommended to be Rejected

- 6.1
1. Retain the premises for operational use. The premises are used to garage transport vehicles but have previously been identified as potentially surplus to requirements as part of the property rationalisation programme. Existing capacity elsewhere in the Council property portfolio can be better utilised so as to enable the release of this building.
 2. Release the premises to the open market. An opportunity has arisen through this disposal that clearly meets a local community need. Independent valuation advice has confirmed that the terms that have been provisionally agreed are at market value and as a consequence the Council's duty to secure best consideration can be met without the property going to the market.

Both of these options have been considered but for the reasons set out

above are not recommended.

7.0 Legal Implications

7.1 The offer recommended for acceptance represents Best Consideration for the purposes of s.123 of the Local Government Act 1972.

8.0 Consultations

8.1 The Executive Director of Commercial and Corporate Services has been consulted and his comments are contained in the report.

9.0 Background Papers

9.1 Property Services File

