

CABINET MEETING – 7 November 2012

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Disposal of land at the former Newcastle Road Baths site, Newcastle Road, Sunderland

Author(s):

Report of the Deputy Chief Executive

Purpose of Report:

To seek approval for the disposal of land at the former Newcastle Road Baths site to Esh Developments Limited, for residential development.

Description of Decision:

Cabinet is recommended to:

i) Agree to the disposal of the Council's freehold interest in 2.47 acres (1 hectare) of land at the former Newcastle Road Baths site to Esh Developments Limited, for residential development, and otherwise on terms to be 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:

To enable the provision of new residential development and to obtain a capital receipt in respect of surplus land that is not required for operational purposes.

Alternative options to be considered and recommended to be rejected:

The alternative options are:-

(i) To accept one of the lower offers that has been received. This option would not satisfy the Council's duty to obtain Best Consideration for the land

(ii) To not dispose of the site. This would leave the Council with the ongoing maintenance liability of land that is no longer required for operational purposes.

Both options have been considered and are not recommended.

Impacts analysed;	
Equality N/A	Privacy N/A Sustainability Y Crime and Disorder N/A
Is this a “Key Decision” as defined in the Constitution?	Scrutiny Committee
Yes	
Is it included in the 28 day Notice of Decisions?	Scrutiny Committee
Yes	

**DISPOSAL OF LAND AT THE FORMER NEWCASTLE ROAD BATHS SITE,
NEWCASTLE ROAD, SUNDERLAND**

REPORT OF THE DEPUTY CHIEF EXECUTIVE

1. Purpose of the Report

To seek approval for the disposal of land at the former Newcastle Road Baths site to Esh Developments Limited, for residential development.

2. Description of Decision (Recommendations)

Cabinet is recommended to:

i) Agree to the disposal of the Council's freehold interest in 2.47 acres (1 hectare) of land at the former Newcastle Road Baths site to Esh Developments Limited, for residential development, and otherwise on terms to be agreed by the Deputy Chief Executive.

3. Background

The Council owns the freehold of the land at Newcastle Road, the site of the former Newcastle Road Baths, shown edged bold on the attached plan.

At its meeting of 17th January 2011 Cabinet agreed to advertise the disposal of the former Newcastle Road Baths site in accordance with acceptable planning uses.

The site was marketed for sale in accordance with the Council's strategy for the disposal or retention of surplus land approved by Cabinet on 2nd December 2009 (as amended by Cabinet on 7th September 2011) using a two stage sealed tender exercise which ensures that the proposals of those bidding are acceptable in planning terms and an offer is then accepted that represents Best Consideration

4. Current Position

Bids received were considered in accordance with the appropriate evaluation criteria assessing quality of development proposals and gross financial offer. Three bids met the planning and design criteria and the bidders were invited to put forward a financial bid.

Three financial bids were received and the highest and most financially advantageous bid representing Best Consideration was from Esh Developments Limited.

The bids were submitted on a “greenfield basis”. In accordance with strategy for the disposal or retention of surplus land approved by Cabinet on 2nd December 2009 (as amended by Cabinet on 7th September 2011) the initial gross offer from Esh Developments Limited will be reduced to reflect any abnormal development costs that are considered reasonable following consideration of site investigations and surveys.

In addition, if planning permission for the proposed development is conditional upon the provision of affordable housing, the initial gross offer may be adjusted to reflect the loss of value as a consequence of the requirement for affordable housing

5. Reasons for the Decision

To enable the provision of new residential development and to obtain a capital receipt in respect of surplus land that is not required for operational purposes.

6. Alternative Options

The alternative options are:-

(i) To accept one of the lower offers that has been received. This option would not satisfy the Council’s duty to obtain Best Consideration for the land

(ii) To not dispose of the site. This would leave the Council with the ongoing maintenance liability of land that is no longer required for operational purposes.

Both options have been considered and are not recommended.

7. 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

The selected development will be constructed in line with current best practice including a minimum code level 4 of the Code for Sustainable Homes Sustainability Assessment Method, the criteria of Building for Life and provide reduced carbon emissions.

- **Learning City**

No impact

- **Attractive and Inclusive City**

Disposal of the development site to the preferred developer will result in the regeneration of a cleared site on a main gateway to the city.

Significant environmental impacts:

- Meets environmental legislation
The selected development will be constructed in line with current best practice including a minimum code level 4 of the Code for Sustainable Homes Sustainability Assessment Method, the criteria of Building for Life and provide reduced carbon emissions.
- Limits environmental hazards
See above
- Limits local environmental impact
See above
- Reduces material consumption
No impact
- Reduces risks from weather and climate change
See above
- Reduces waste creation and disposal
No impact
- Improves sustainable transport communications
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 tender exercise has been undertaken which has ensured 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 former Newcastle Road Baths site.

10. Background Papers

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