

Record of Delegated Executive Decision(s)

1. Subject of decision

Swan Hunter site – selection of preferred purchaser

2. Name and Title of Decision Maker

Paul Hanson, Chief Executive

3. Details of any Conflict of Interest and any Dispensation granted in respect of such Interest

None

4. Executive summary

On 28 May 2019 Cabinet considered a report which outlined the work that the Authority had done for over ten years with a range of partners to secure the Swan Hunter site for strategic purposes and bring it back into economic use. This included recognition of the infrastructure investment delivered, creation of the Swans Centre for Innovation providing space for businesses to grow and create jobs and making a large and complex site ready for future investment.

On 28 May 2019, after consideration of options to deliver additional jobs and business growth at the site, the Council's Cabinet resolved to delegate authority to the Chief Executive in consultation with the Elected Mayor, Deputy Mayor, Cabinet Member for Finance, Head of Resources, Head of Law and Governance, Head of Regeneration and Economic Development and Head of Commissioning and Asset Management to progress and deliver the work necessary to pursue the recommended option which was to approach the market to discuss either freehold sale or long-term lease of the site.

Following the decision by Cabinet the site was advertised for sale in September 2019 with particulars identifying the price and quality criteria against which leasehold and freehold offers would be assessed.

Two offers to purchase were received by the deadline of 25 October with a further submission deemed non-compliant as it was received after the deadline. Following clarification of the compliant offers, the scoring was carried out on 6 December and a preferred purchaser was identified.

5. Alternative Options considered

The following decision options were available for consideration by the Chief Executive:

Option 1

Consider and agree the recommended options in paragraph 1.2 to dispose of the freehold and to enter negotiations to conclude the sale and to seek the appropriate approvals set out therein in order to dispose of the site.

Option 2

Consider and agree the recommended options in paragraph 1.2 to dispose of a long leasehold interest in the site, and to seek appropriate approvals set out therein to dispose of the site.

Option 3

To not approve the recommendations, and request officers to consider other options.

Option 1 was the recommended option.

6. Decision(s)

The Chief Executive in consultation with the Elected Mayor, Deputy Mayor, Cabinet Member for Finance, Head of Resources, Head of Law and Governance, Head of Regeneration and Economic Development and Head of Commissioning and Asset Management decided that:

- (1) Bidder A is selected as the preferred purchaser of the freehold of the site;
- (2) Discussions with Bidder A be entered into in respect of the terms of the disposal and completion of the sale contract on those negotiated terms;
- (3) Approval is sought from the North East Combined Authority and/or the North of Tyne Combined Authority, Ministry of Housing Communities and Local Government and Homes and Communities Agency (trading as Homes England) to dispose of the site to Bidder A having agreed the terms of any contract or undertaking required to secure such approvals; and
- (4) Any other approvals or consents are sought that are required in order to achieve the disposal of the site in accordance with the delegations set out in that Report.

7. Reasons for the Decision(s)

The decision to approve Option 1 was taken for the following reasons:

- It reflects the scores of the Evaluation Panel meeting on 6 December.
- It enables a proposed sale to the identified preferred purchaser to be negotiated within a timescale that provides the opportunity for Local Growth Fund grant to be secured to progress with infrastructure works.
- It enables the Authority to dispose of, and relinquish any future liabilities in, the site.

8. Date Decision Made

26 February 2020

9. Is this decision subject to call-in and if so expiry date of call-in period

Yes, the call-in period expires at 5.00pm on Wednesday 4 March 2020

10. Date of Publication

Wednesday 26 February 2020

11. Implementation Date (if decision not called in)

After 5.00pm on Wednesday 4 March 2020