

Record of Delegated Executive Decision(s)

1. Subject of decision

Termination of Joint Venture Agreement at the former Swan Hunter shipyard, Wallsend

2. Name and Title of Decision Maker

John Sparkes, Director of Regeneration & Economic Development

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

None

4. Executive summary

On 22 January 2024 Cabinet considered a report outlining the proposal to dispose of land at the former Swan Hunter shipyard to WD Close & Sons Ltd and to also end the Joint Venture Agreement (JVA) with Homes England in relation to the former shipyard.

At its meeting on 22 January 2024 Cabinet resolved that:

- (1) the progress made in delivering the development of the former Swan Hunter shipyard site, be noted;
- (2) the termination of the Joint Venture Agreement dated 5 November 2013 made between the Authority and the Homes and Communities Agency, be agreed;

3) subject to resolution (2), the Director of Regeneration and Economic Development in consultation with the Elected Mayor, Deputy Mayor and Cabinet Member for Finance and Resources and the Director of Resources, be authorised to approve and authorise the share of net divisible receipts that was calculated should be paid to the Homes and Communities Agency and to make such payments;

(4) the land identified on the plan at Appendix 1 of the Cabinet report as being surplus to the requirements of the Authority and agrees to the disposal of the land on the terms set out in paragraph 1.5.3 of the Cabinet report, and;

(5) subject to resolution (4) the Director of Regeneration and Economic Development in consultation with the Director of Resources and the Head of Law be authorised to conclude the disposals to WD Close & Sons Limited and to take all necessary steps in that regard.

This report relates to resolution (3) above and seeks approval and authorisation of the calculation of the share of net divisible receipts that should be paid to the Homes and Communities Agency and to make such payments.

A further report will be produced in relation to resolution (5) and the conclusion of the disposals to WD Close & Sons Ltd at the appropriate time.

5. Alternative Options considered

The following decision options were available for consideration by the Director of Regeneration and Economic Development:

Option 1

To agree the recommendation that:

- (1) the Director of Regeneration and Economic Development in consultation with the Elected Mayor, Deputy Mayor and Cabinet Member for Finance and Resources and the Director of Resources approve and authorise the payment of the sum of an agreed amount as the share of net divisible receipts to be paid to the Homes and Communities

Option 2

Not to agree the recommendation set out as Option 1 above.

Option 1 was the recommended option.

6. Decision

- (1) the Director of Regeneration and Economic Development in consultation with the Elected Mayor, Deputy Mayor and Cabinet Member for Finance and Resources and the Director of Resources decided to approve and authorise the payment of the sum of an agreed amount as the share of net divisible receipts to be paid to the Homes and Communities Agency.

7. Reasons for the Decision(s)

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

It enables the Authority and Homes England to complete a Deed of Variation that will bring the JVA to an end in accordance with Homes England's condition when previously giving consent to dispose of land to WD Close & Sons Limited and Shepherd Offshore Limited in December 2020.

8. Date Decision Made

8 March 2024

To be completed by Democratic Services

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

Yes, 5.00pm on Friday 15 March 2024

10. Date of Publication

Friday 8 March 2024

11. Implementation Date (if decision not called in)

After 5.00pm on Friday 15 March 2024

**Note - the above-mentioned report is 'Not for publication by virtue of paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972'.