

URGENCY DECISION

Delegation arrangements for dealing with matters of urgency

Paragraph 7.2.1 of the Council's Constitution provides that Chief Officers may take urgent decisions if they are of the opinion that circumstances exist which make it necessary for action to be taken by the Council prior to the time when such action could be approved through normal Council Procedures. They shall, where practicable, first consult with the Leader and Chairman (or in their absence the Vice Chairman) and the Opposition Spokesperson of the appropriate committee (Constitution incorporating a scheme of delegation approved by the Council on 14th May 2013)

Subject: 45 & 47 Grange Road and 99 Grange Road, Newark

Appropriate Committee: Policy & Finance Committee

Background

Members are advised that Catesby Estates (Residential) Limited (Catesby), the master developer for the Middlebeck development to the south of Newark have an option agreement over a strip of Council-owned land to the rear of the above properties. The Option agreement was first signed in 2009 (2009 Option Agreement), and has been extended on two occasions, November 2014 and December 2019.

The option agreement is split into two parts, a 'Base Price' which should be paid by Catesby to the Council if the option is exercised and an 'Additional Payment' payable if Catesby (or its successors in title) secure a vehicular access over the land to the rear of numbers 45 & 47 Grange Road, Newark.

The 'Base Price' in the 2009, 2014, and 2019 agreements has remained at £50,000. The 'Additional Payment' price has equally remained constant in all agreements at £119,000. The current option expires on 15.12.21. U&C would like to extend the option for a 3rd time.

Proposal

There is no objection in principle to an extension of the option agreement. If the full Newark Southern Link Road (SLR) is implemented it is unlikely that an option will be implemented. Whilst design work on the SLT still needs concluding the announcement in October of the Council's (in partnership with Nottinghamshire County Council and U&C) successful Levelling Up Fund (LUF) bid of £20m for the SLR should now secure delivery. Notwithstanding this, it remains important to ensure that this Council secures best consideration for its land should any option be exercised by Catesby. On this basis, and given the passage of time since the original option agreement was signed a further valuation has been commissioned. This proposes an uplift, in line with inflation, to the original 'Base Price' and 'Additional Payment' values as detailed below:

Rights Option Charge	2009	Proposed 2021
Base Price	£50,000	£75,000
Additional Payment	£119,000	£176,500

Catesby have agreed to the amended values as part of a new option agreement. It is therefore proposed that the Council extends the 2009 Option Agreement for a further option period with Catesby at the revised values, as informed by new independent advice.

Financial Implications – (FIN21-22/8147)

The above proposal of new values for the base price and additional payment for the agreement has been provided via an external valuers, Ian Holdsworth Chartered Surveyors, assessment of the site and original agreement. Without the agreement the land will hold little value for the Council and therefore if either option, as per the agreement, is exercised by Catesby this would represent best consideration for the Council. Any capital receipt received will therefore go into the Councils capital resources and be used to finance future capital investment.

Decision

To further extend the 2009 Option Agreement with Catesby for land to the rear of 45-47 Grange Road, Newark and 99 Grange Road, Newark with a Base Price of £75,000 and Additional Payment of £176,500.

Reason for Urgency

To ensure that a revised option is secured and represents best consideration for the Council.

Members Consulted:

Councillor David Lloyd – Leader of the Council and Chairman of Policy & Finance (14.12.21)
 Councillor Paul Peacock – Opposition Spokesperson Policy & Finance (14.12.21)

Signed 

Date 14/12/2021

Matt Lamb
 Director – Planning & Growth