

URGENCY ITEMS - MINUTE OF 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.

Subject:

Purchase of the former Marks & Spencer Building, 32 Stodman Street, Newark

Appropriate Committee:

Policy & Finance Committee

Details of Item and Decision Taken

M&S vacated the town earlier this year, with the unit having remained vacant since that time. The building was presented to auction in March without a formal reserve (notwithstanding discussions set an expectation for an offer in the millions). The lot contained details of an in principle agreement to lease with a discount retailer. The property was withdrawn from the auction.

In November 2020 the property was re-presented for auction, to be sold at a London auction on 9th December 2020. Given the size, locations, and prominence of the premises, particularly set against the background of the Councils Community Plan Town Centre objectives and likely opportunities of the Newark Towns Fund Officers, in consultation with external valuation advisors, determined that the opportunity to purchase, at an appropriate price, would represent a strategic land acquisition in terms of site assembly and the ability of the Council, if successful in purchase, to take a longer term and less aggressive commercial view in terms of rental levels.

Following discussions with the Leader, Deputy Leader, and Leader of the Opposition it was accepted that an offer of up to £550,000 be made. Following a period of negotiation an offer was accepted on the working day prior to the auction of £540,000 + fees/stamp duty (totalling £569,000). The associated capital budget has been provided.

The Council is required to exchange contracts for completion on 31st March 2020.

Decision

Urgency Item agreed by Members to secure the purchase of the former M&S building for a value of up to £550,000 (plus associated costs and fees).

Financial Implications (FIN19-20/6196)

The capital budget required of £569,000 has been added to the Capital Programme following discussions noted below and is estimated to be financed by borrowing.

The annual cost of the borrowing will result in a charge to the revenue budget of £11,380 in Minimum Revenue Provision (MRP) annually for 50 years. This has been included in the Revenue Budget for 2020/21 onwards.

It is not anticipated at this time that the Council would need to externally borrow for this expenditure.

Members Consulted:

Councillor David Lloyd - Chairman of Policy & Finance Committee – 4/12/19

Councillor Paul Peacock - Opposition Spokesperson Policy & Finance Committee – 5/12/19

Councillor Keith Girling - Deputy Leader of the Council - 5/12/19

Signed: M Lamb
Director – Growth & Regeneration

Date: 5/12/19