

## EXECUTIVE 18<sup>th</sup> April 2024

<b>Report Title</b>	<b>Knights Farm Overage Legal Agreement</b>
<b>Lead Member</b>	Cllr Matthew Binley, Executive Member for Highways, Travel and Assets
<b>Report Author</b>	George Candler, Executive Director Place & Economy  Jonathan Waterworth, Assistant Director of Assets and Environment

<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Is the decision eligible for call-in by Scrutiny?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Are there public sector equality duty implications?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Does the report contain confidential or exempt information (whether in appendices or not)?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972</b>	3) Information relating to the financial or business affairs of any particular person (including the authority holding that information). <b>Appendix C Only</b>
<b>Which Corporate Plan priority does the report most closely align with?</b>	Safe and thriving places

### List of Appendices

**Appendix A** – Knights Farm Rushden

**Appendix B** – Rushden SUV Masterplan

**Appendix C** – Savills LLP Recommendation Report - **EXEMPT**

**Appendix D** – Executive Report April 2023, Knights Farm, Rushden Overage Agreement.

**Appendix E** – Climate Change Impact Assessment tool

### 1. Purpose of Report

- 1.1 On Thursday 20<sup>th</sup> April 2023 Executive granted delegations to the Executive Member for Highways Travel and Assets, in consultation with the Assistant Director for Assets and Environment, to authorise the completion of a Deed of Variation to extend a long stop date to end of April 2024.

- 1.2 Planning matters have taken longer than the developer anticipated, and we are asked to extend the long stop date in the Deed of Variation to end April 2025 to accommodate the planning process.

## **2. Executive Summary**

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- 2.1 The Council is the beneficiary of an overage within the Transfer of Knights Farm, which provides for the Council to benefit from any uplift in value of the site (sold by Northamptonshire County Council in 1998) should the use of the site change to a more valuable use including residential.
- 2.2 The proposed development forms part of the Rushden East Sustainable Urban Extension, details of which can be found on the Council website, but in summary this includes around 2700 new homes some of these being affordable housing, offices, schools, a park, cemetery land and community facilities.
- 2.3 In April 2023 the Executive granted delegations to the Executive Member for Highways, Travel & Assets in consultation with the Assistant Director of Assets & Environment, to authorise the completion of a new Deed of Variation with a longstop date of April 2024.
- 2.4 The planning permission discussions between the developer and the Council are taking longer than the developer anticipated, therefore the Council have received a request from the landowners to extend the longstop date until April 2025.

## **3. Recommendations**

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- 3.1 It is recommended that Executive:
- a) Delegate authority to the Executive Member for Highways, Travel and Assets, in consultation with the Assistant Director of Assets and Environment to authorise the variation of the long stop date to 30<sup>th</sup> April 2025.
- 3.2 Reasons for Recommendation: The extension of the new Deed of Variation shall:
- Provide a sufficient timeframe for Planning to be resolved as the current long stop date in April 2024 appears to be unachievable.
  - It will provide the Council with the most certainty that the scheme will be brought forward for housing.
  - It is in support of the corporate plan and the Rushden East Sustainable Urban Extension (SUE).
- 3.3 Alternative Options Considered: The Council could choose not to extend the long stop date, but this is not supportive of the Council's strategic direction as documented in the Executive report of April 2023 and may result in the landowner not bringing the site forward for development.

## **4. Report Background**

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- 4.1 The Council is the beneficiary of an overage provision contained within the transfer of land at Knights Farm, Rushden between the former Northamptonshire County Council and Anthony Merriman dated 31<sup>st</sup> March 1998. The overage provision will expire on 30<sup>th</sup> March 2038. A variation to the transfer was negotiated by agents on behalf of the Council in 2017 and documented on 26<sup>th</sup> April 2018. If the landowner is successful in obtaining planning permission to change the land use from agricultural to residential the Council will benefit from a share of the uplift in value.
- 4.2 The landowner entered into a Promotion Agreement on 7<sup>th</sup> April 2017 with Camland (Rushden) Limited and a Deed of Variation of the 1998 Transfer with NCC in April 2018. The Deed of Variation amended the overage formula and allows for deductions such as development costs to be repaid from the gross uplift in value, leaving a residual net value. The net value would then be split on the same terms as the original overage agreement 50:50 between the Landowner and the Council.
- 4.3 Other changes were made under the 2018 variation which included a capital receipt of £50,000 from the Landowner and regularisation of an area of land required for A6 road improvements.
- 4.4 The Council was approached by the Landowner's property agent, Bletsoe LLP, on 29<sup>th</sup> April 2022, who requested the Council agree a variation to the 2018 Deed of Variation to extend the trigger dates by two years. A full description of the background is found in the annexed report April 2023.
- 4.5 The original March 2023 report from Savills is attached at **Appendix C** and details the proposed terms of the deed of variation. It should be noted that the report refers interchangeably to North Northamptonshire Council and Northamptonshire County Council. For the avoidance of doubt, Northamptonshire County Council entered into the 2018 Deed of Variation and North Northamptonshire Council is the successor to the overage clause.
- 4.6 This report is asking for one change which is the extension of the long stop date specified in the third Deed of Variation of the Promotion Agreement dated 7<sup>th</sup> August 2023, from 30<sup>th</sup> April 2024 to 30<sup>th</sup> April 2025, to allow the landowner longer to complete planning permission.

## **5. Issues and Choices**

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- 5.1. The Council could choose not to extend the long stop date, but this would not support the direction the Council has made to date nor support the development of the site.

## **6. Next Steps**

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- 6.1. A delegated decision will be completed, and solicitors instructed to extend the long stop date.

## **7. Implications (including financial implications)**

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### **7.1. Resources, Financial and Transformation**

7.1.1. The agreement will provide a capital receipt for the Council.

7.1.2. If the Council choose not to extend the overage agreement and the developer chooses not to bring the site forward for development, there will be no capital receipt.

### **7.2. Legal and Governance**

7.2.1 The Council is under no legal obligation to do extend the longstop date however legal remain instructed to document the variation.

### **7.3. Relevant Policies and Plans**

7.3.1 The proposal will meet the priority in the corporate plan to use our assets, skills, knowledge and technology most effectively.

### **7.4. Risk**

7.4.1. The recommended way forward provides the least risk that the site would not be brought forward, and the Council will receive a capital receipt.

### **7.5. Consultation**

7.5.1. There is no additional consultation required.

### **7.6. Consideration by Executive Advisory Panel**

7.6.1. This item has not been considered by the Executive Advisory Panel.

### **7.7. Consideration by Scrutiny**

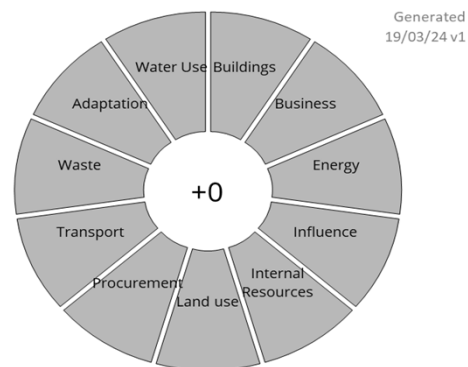
7.7.1. This item is eligible for call in by the Scrutiny Commission as part of their work plan.

### **7.8. Equality Implications**

7.8.1. There is no negative impact by extending a long stop date.

## 7.9. Climate Impact

7.9.1. The climate impact assessment tool has been completed and approved by the climate team. The implication of moving the date has no impact on carbon management.



North Northamptonshire Council has committed to being a carbon neutral organisation by 2030, 5 yrs & 9 mos away.

## 7.10 Crime and Disorder Impact

7.10.1 There are no implications arising from what is being proposed.

## 8. Background Papers

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8.1. Detailed information on North Northamptonshire Planning :  
[Rushden East Sustainable Urban Extension | North Northamptonshire Council \(northnorthants.gov.uk\)](#)