

Record of Urgent Executive Decision(s)

1. Subject of decision

The Site of the Former Highpoint Hotel and 1 and 2 Eastcliffe, Whitley Bay

2. Name and Title of Decision Maker

The Elected Mayor

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

None

4. Executive summary

This report provides an update on the current position with the Highpoint residential development in Whitley Bay which was constructed under the terms of a Development Agreement dated 8th November 2016 ('the Development Agreement') between the Authority and Highpoint View Limited.

It also confirms the position with the Facility Agreement which financed the Development Agreement and was made between the Authority (as Lender) and Highpoint View Limited (as borrower) dated 8th November 2016. The original repayment date recorded in the facility Agreement was 31st March 2018 ('the Repayment Date'). The Repayment Date was extended to 30 September 2018, by an Executive Decision report dated 22 August 2018, and further extended to 31 March 2020 by an Executive Decision report dated 4 June 2019. It is now proposed that the Repayment Date be extended further, to 30 September 2020. This will allow time for further properties to sell and for the loan to be repaid from the proceeds of sale.

5. Alternative Options considered

Not to approve the extension of the Repayment Date of the loan facility in which case Highpoint View Limited will be required to repay the Authority's loan by 31 March 2020

6. Decision

The extension of the Repayment Date of the loan facility referred to in the Report was approved from the current date of 31 March 2020 to 30 September 2020, in order to allow time to sell the number of properties required to secure its repayment.

7. Reasons for the Decision

The extension of the Repayment Date of the loan facility was considered to be the best option as it will allow the developer time to sell the number of properties required to secure the repayment of the Authority's loan.

8. Date Decision Made

30 March 2020

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

No- see below*

10. Date of Publication

30 March 2020

11. Implementation Date

30 March 2020

*Note – this is an Urgent Decision, as agreed by the Chair of the Overview and Scrutiny Committee, and not subject to call-in, as agreed by the Chair of Council.

The reason for urgency is as follows:

The report was urgent because the Facility Agreement needs to be extended by 31 March 2020