



Report to: Cabinet Meeting - 11 July 2023

Portfolio Holder: Councillor Matthew Spoons, Sustainable Economic Development

Director Leads: Sanjiv Kohli, Deputy Chief Executive, Director - Resources and s151 Officer
Matt Lamb, Director - Planning & Growth

Lead Officers: Mark Eyre, Business Manager - Corporate Property, Ext. 5670
Oliver Scott, Senior Planner (Conservation), Ext. 5440

Report Summary	
Type of Report	Open report (with exempt appendix), key decision
Report Title	Ollerton Hall
Purpose of Report	To update Members on the progress of the proposed conversion of the Hall to 8 residential apartments by the Council's preferred developer (Severns Developments (Middleton House) Ltd) and to seek an amendment to the proposed terms of sale.
Recommendations	That Cabinet: <ul style="list-style-type: none"> a) note and welcome the updates provided; and b) approve an amendment to the proposed terms of sale to allow an earlier disposal to the Council's preferred developer (Severns Developments (Middleton House) Ltd) for the Agreed Purchase Price detailed at Exempt Appendix A subject to completion of all identified necessary heritage works as detailed at Appendix B to the report.
Alternative Options Considered	Cabinet could decide not to agree to the proposed revisions to the terms of sale and present the building back to the market for disposal. Members will be aware this building and site has a long history of failed attempts to secure a viable and acceptable re-use for the site. A return to the market would lead to delay and is unlikely, in the opinion of Officers, to find an acceptable and fundable solution given the difficult balance of reinstating heritage value and securing a deliverable scheme.
Reason for Recommendations	To dispose of Ollerton Hall and secure the long-term future of the building.

1.0 **Background**

- 1.1 Ollerton Hall has a long history of being in various states of vacancy and disrepair. The Hall was subject to an unsuccessful care home redevelopment in the 1990s, resulting in the Hall returning to Council ownership before being sold to a third-party developer who unsuccessfully pursued schemes for a nursing home and residential redevelopment (25 homes). Several unauthorised extensions were also constructed during this ownership. Following lengthy enforcement, negotiation and arbitration the Council repurchased the Hall in summer 2016. Since that time the Council has removed all unauthorised extensions and the building has been made wind-and-water tight. Additionally, the Council successfully secured a planning revocation order to remove all previous planning permissions, effectively wiping the slate clean.
- 1.2 Following a number of building and site assessments the Council presented the Hall to the market seeking an appropriate heritage-sensitive redevelopment. Unlike previous unsuccessful disposals the Council were keen to retain some control of any redevelopment in order ensure any scheme was commenced and completed to an acceptable standard and timeline. Accordingly, the opportunity presented to market was to find a purchaser/developer who could deliver an acceptable scheme (to be assessed by planning and listed building consent applications) under a building lease/licence, whereby works would be monitored by the Council via a monitoring surveyor until practical completion at which point the Hall would be sold for a pre-agreed purchase price. Any purchase price, once legal and monitoring surveyor costs are deducted, would be made available for any regeneration project(s) within Ollerton. The agreed purchase price of [REDACTED] is detailed at **Exempt Appendix A**.
- 1.3 Following lengthy negotiation with Council Officers, Historic England, and the local community (notably Ollerton & Boughton Town Council and Ollerton Village Resident's Association) the developer has secured [planning permission](#) and Listed Building Consent for the conversion of the Hall to accommodate 8 apartments. The developer is now ready to implement the scheme, albeit given industry challenges regarding inflationary rises and costs has stated to the Council that it is necessary to revisit the original terms of the agreement.
- 1.4 The developer accepts that an increase in costs over the passage of time is a known risk of the development industry. Thus, whilst the likely costs of completing the conversion have increased there is no intent to ask the Council to reduce the purchase price previously agreed. There is, however, an issue in cash-flowing the development. In simple terms monies can be raised against the building once the developers take ownership. Given the current deal would see ownership transfer upon practical completion this would not be possible. A suggested solution is that the developer continues to operate under a lease/licence arrangement until such time as all identified necessary heritage works, as detailed at Appendix B, are completed. At this point a sale would be completed for the agreed purchase price, allowing the developer to raise funds, complete the development and then occupy the completed properties. All works (pre and post purchase) would still be assessed by a Council-appointed monitoring surveyor.

2.0 Proposal

- 2.1 It is recommended that alternative terms which would allow a sale of the Hall to the developer sooner than practical completion is acceptable on the basis that a purchase should only take place after all identified necessary heritage works (as at Appendix B) are secured. This will secure all heritage works, will de-risk the Council and the developer, and finally allow this important asset to be brought back into a productive use which secures its longevity. A long-stop date and potential to re-purchase if the conversion is never completed would still be required, a matter which is agreed in principle between the parties.

3.0 Implications

In writing this report and in putting forward recommendations, Officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding, Sustainability, and Crime and Disorder and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

3.1 Equalities Implications

The proposed development has full planning and listed building consent including consideration of all required access and equality requirements.

3.2 Financial Implications (FIN23-24/4784)

There is no change to the level of capital receipt the Council will secure as part of the proposed sale terms detailed above.

The Council's Corporate Property Business Manager is of the opinion that the agreed Purchase Price remains appropriate, having regard to increased construction costs and the nature of the redevelopment proposed. Legal and Monitoring Surveyor costs will, as previously resolved, be covered by the purchase price with any residual balance being retained for regeneration project(s) within Ollerton & Boughton.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Ollerton Hall Update - Policy & Finance Committee, 28 November 2019

Ollerton Hall – Policy & Finance Committee, 20 September 2018

Ollerton Hall – Policy & Finance Committee, 26 January 2017

Ollerton Hall – Policy & Finance Committee, 30 June 2016

Ollerton Hall Update – Policy & Finance Committee, 26 March 2015