



Report to: Portfolio Holder for Strategy, Performance & Finance and Portfolio Holder for Sustainable Economic Development

Portfolio Holders: Councillor Paul Peacock Portfolio Holder for Strategy, Performance & Finance and Claire Penny - Portfolio Holder for Sustainable Economic Development

Director Leads: Sanjiv Kohli, Deputy Chief Executive, Director – Resources/Deputy Chief Executive
Matt Lamb, Director - Planning & Growth

Lead Officers: Oliver Scott, Business Manager – Planning Development

Report Summary	
Type of Report	<p>Open Report</p> <p><i>There is an exempt version of this report which contains exempt information as defined under Schedule 12A of the Local Government Act 1972, Paragraph 3 under which the Cabinet has the power to exclude the press and public if it so wishes.</i></p> <p><i>It is considered that the need to treat the information in this report as exempt outweighs the public interest in disclosure because it contains commercially sensitive information. This information has been redacted in this open report.</i></p>
Report Title	Ollerton Hall
Purpose of Report	To request a variation to the sale terms of Ollerton Hall from those agreed at Cabinet in July 2023 and by Portfolio Holder decision dated 29 May 2024 to allow the proposed development to go ahead with amendments.
Recommendations	<p>That the Portfolio Holder for Strategy, Performance & Finance, in consultation with the Portfolio Holder for Sustainable Economic Development, the Section 151 Officer and the Director – Planning & Growth:</p> <ul style="list-style-type: none"> a) approves removal of the overage provision in the current sale agreement, as set out in Section 1.2 and Section 2 of this report; and b) approves amendments to the Essential Works required to be completed prior to the sale, as set out in 2.6 of this report.
Alternative Options Considered	If this proposal was not met with an approval, then the developer would need to withdraw from the project and be unable to complete the conservation works or go on to execute the conversion to residential. In this circumstance the Council

	would have no alternative but to offer the site up to the open market once again. This has been done several times already with great difficulty due to the scale of the project and the conservation issues for the site, which have now been revealed to be of a greater extent than originally envisaged. It is also highly likely that the building condition would deteriorate further and present a greater overall project cost (impacting on final sale price).
Reason for Recommendations	To continue the dispose of Ollerton Hall and secure the long-term future of the building.
Decision Taken	

1.0 Background

1.1 Following the Cabinet paper being submitted, but prior to the Cabinet meeting on 11 July 2023, it was made clear to officers by the developer and proposed purchaser of Ollerton Hall (Severns Developments (Middleton House) Ltd) that the costs for heritage specific plaster (lime plaster coating) could take the project budget beyond what they would consider to be viable. Approved recommendation c) therefore made clear that any changes to the terms of value of sale should be agreed via a Portfolio Holder decision, hence this short report to cover the intended variation to the terms.

1.2 That Portfolio Holder decision was taken on 29May 2024 which reported a reduction in the originally agreed purchase price of £XXXX, taking the sale receipt to £XXXX, paid in 2 instalments - £XXXX upon grant of the release (now received and being used to fund a Clerk of Works on behalf of the Council to monitor the build) and £XXXX upon completion of Essential Works, as defined in the lease. In return the Council sought an overage position to try and claw-back some or all the £XXXX at a later date. The terms of the overage were XXXXXXXXXXXXXXXXXXXXXXXX.

2.0 Update and Proposal

Update

2.1 Works have continued to progress at pace on-site with invasive building works having taken place over recent months. Whilst progress has been swift a number of concerning structural challenges have been uncovered with the building, which include:

- Structural movement in and around the lift shaft;
- Hitherto unknown decay in principal ceiling beams;
- Upper floor fireplaces with insufficient structural support underneath.

2.2 The above works have been structurally remediated as they have been uncovered with the full knowledge and agreement of the Council’s appointed Clerk of Works and Conservation Team. Such interventions have come at significant and additional unanticipated expense to the developer. The developer is willing to absorb and/or mitigate such costs, accepting that there is always going to be an unknown level of risk with a building of this nature. Part of this mitigation will be to convert the building in a slightly different way (still keeping the same number of interventions in terms of new

and replacement walls/openings) by seeking planning permission for conversion of the building to 10 rather than 8 apartments. This application (25/00048/573) was approved with the Decision Notice dated 14 February 2025.

- 2.3 Notwithstanding the above the developers have reported ongoing challenges with the overage provision, with evidence having been provided that they would be unable to access funding with this in place. Access to funding is critical at the point at which the Essential Works are completed in order to raise capital to complete the scheme. It is therefore asked that the Council remove the overage provision.

Proposal

- 2.4 The Council is satisfied that the costs associated with the additional levels of structural works now required are significant. It is noted that the developers intend to mitigate and/or absorb such costs themselves, including by amending the configuration of the approved scheme. The Council would have no objection to the developer applying for a revised planning permission to this effect, including a change from 8 to 10 apartments. Given the cost challenges no additional sum need be sought to the purchase price. This position has also been agreed as reasonable by the Council's Development Manager, who concurs that the overage should no longer be applied to any sale.
- 2.5 The Council is therefore satisfied that the overage provision currently in place is a barrier to securing funding to allow the project to be completed. It is therefore proposed that this be deleted from the terms of sale.
- 2.6 Ongoing works on site have also uncovered the need, in consultation with conservation colleagues, to amend a number of the Essential Works which are required as part of the current lease agreement. In order to provide clarity on works required prior to sale it is recommended that a revised schedule of Essential Works is adopted, which reflects the works completed or required on-site. Such works will be confirmed as satisfactory complete by the retained Clerk of Works. A revised Essential Works schedule is provided at **Appendix A** of this report.

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.

Equalities Implications

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

Financial Implications (FIN24-25/9165)

- 3.2 The payment expected of £135,000 is receivable in two instalments. £30,000 upon the signing of the lease, and £105,000 once the works have been completed and the payment/freehold acquisition clause is triggered. This can be ringfenced to be used to finance the Ollerton Regeneration project in line with previous reports. Once the payments are received they can be used to finance capital expenditure.

Legal Implications (LEG2425/2625)

- 3.3 An overage agreement is a type of contract where the seller (NSDC) will be paid extra by the buyer (Severns) if the specified events happen within a specified timescale, for example if land sold is later developed and therefore the value increases significantly.
- 3.4 The Portfolio Holder for Strategy, Performance & Finance has delegated authority to take this decision in consultation with the Section 151 Officer and Director – Planning & Growth (Cabinet 11 July 2023). The proposal, if approved, means that the decision of 29 May 2024 will not be implemented. Where a decision provides to be unworkable or not in the best interests of the Council and its communities for whatever reason it is appropriate to give the matter further consideration.
- 3.5 The parties will need to enter into a fresh contract for sale. It is anticipated that exchange of contracts and completion will occur simultaneously.

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 – Cabinet, 11 July 2023

Ollerton Hall – Portfolio Holders Decision, 29 May 2024