

Report to: Cabinet Meeting: 8 July 2025

Portfolio Holder: Councillor Paul Peacock, Strategy, Performance & Finance

Director Lead: Sanjiv Kohli, Deputy Chief Executive & Director of Resources

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Report Summary	
Type of Report	Open Report / Key Decision
Report Title	Sale of The Hollies, Barnby Road, Newark
Purpose of Report	To consider a proposal that the current tenant, Hope House School, purchase the freehold titles for The Hollies.
Recommendations	That the exclusive sale of the Hollies, Barnby Road, Newark, to Hope House School be approved.
Alternative Options Considered	<p>The Council has the option not to sell and propose a further lease to Hope House School, which maybe declined leaving a void property.</p> <p>A further option would be to sell The Hollies on the open market, this would have a devastating impact on the school residents and employees.</p>
Reason for Recommendations	Based on the sites current market value, and the potential for future development, the offer from Hope House School is good. The sale will enable the school to keep providing extremely complex services within the community and continue to improve the school and grow its capacity.

1.0 Background

- 1.1 The property is currently occupied by Hope House School, as institutional use for autistic children. The site comprises of 2.34 acres in total, on two separate registered freehold titles, owned by NSDC. There are several properties on site, the main Victorian school building is fitted out as offices and a canteen, the complex of 12 (modified to 8) bungalows have been adapted to provide classroom and teaching facilities and there is a separate detached house, recently refurbished for 16 – 19 year olds to occupy and gain independence. All areas of the property have undergone a scheme of refurbishment and are in good condition throughout. The buildings are set within associated grounds. The site is quietly located on Barnby Road, within a rural area, with limited facilities, but within close proximity to Balderton, Newark and has good access to the A1.

- 1.2 The property currently has an institutional use in the form of Hope House School, which is an Independent School for autistic spectrum disorders. This school is extremely specialist, with children attending daily travelling from Lincolnshire, Derbyshire and Leicestershire, as well as those living within Nottinghamshire.
- 1.3 The site has been leased to a charity, Hope House School Limited, since 18th March 2007 and the current lease will terminate 17th March 2026. The lease is full repairing, maintaining and insuring, with a current income to NSDC of £32,700 per annum.
- 1.4 In 2020 the school was in significant trouble reputationally, which was highlighted in the press, whereby Ofsted found serious failings within the residential provision. Since then, the School has appointed a new head teacher who has turned the school around and it is now excelling, at full capacity, with a 'good' Ofsted rating (previously 'requires improvement'). Improvements have also been made to the site to reconfigure some of the classroom space, and make improvements to the external gardens and play areas.
- 1.5 The School have plans to extend the offering and increase pupil numbers, however given the short-term lease and its approach to renewal/end, the school is cautious in investing heavily in a building they do not own. They will struggle to pursue any lines of financial grants due to not owning the site. In 2023 NSDC were approached by Hope House School and asked if they would consider selling the site. The offer, based on the back of their own valuation, was considered far too low at £220,000. NSDC commissioned a Red Book Valuation, carried out by Richard Watkinson on the 1st June 2024, which provided a comprehensive valuation of Hope House School. The property, which includes several buildings and land, is valued at £950,000. The valuation is based on the current market conditions and the property's existing use as an educational institution or 2 existing houses and office space. No 'hope' value has been added to the report, in terms of what it could potentially be developed into, due to the depreciative effect this has on the land value.
- 1.6 Discussions were held with Hope House School, in regard to revising their offer, inline with our Red Book Valuation.
- 1.7 Hope House School LTD have submitted a formal offer, subject to contract and survey, of £950,000.
- 1.8 Due to the valuation being 10 months old, Richard Watkinson were asked for a comment on the current market status, they confirmed there has been no movement in the market and the valuation is still current (June 2025).

2.0 Proposal/Details of Options Considered

- 2.1 The sale of The Hollies to Hope House School is the recommendation proposed based on the sites current market value and the lack of potential for future development. The property is well-suited for continued use as an educational institution, and the inclusion of an overage clause will protect the seller's interests in case of future development.
- 2.2 If the offer is not accepted the School may wish to acquire an alternative site. This would leave NSDC with a very bespoke building to market. The option may at this point be taken to separate the Titles and sell the asset as 2 or 3 houses with land. As the Red

book valuation states, this would not bring the Council any added revenue to the £950,000 offered.

- 2.3 The lease did not have a schedule of conditions attached and therefore if the buildings are returned, NSDC would have to take the property 'as is' as the records are unavailable showing the condition the buildings were leased.
- 2.4 Development Potential: The site has potential for residential development, but this is subject to planning permissions and market conditions. The existing buildings, and high build costs, may deter developers. The land is allocated within the Amended Core Strategy as a strategic site - Land East of Newark but this area is identified as part of the green infrastructure of the site not built development.
- 2.5 Investment Value: The property has a higher value for its existing use compared to its investment value.
- 2.6 Other options considered:
Given the current lease, and the property's condition, we could market the property for sale with the existing use. This would attract institutional buyers who are looking for educational facilities. Include an overage clause in the sale contract to benefit from any future planning gains. This would ensure that the seller receives additional compensation if the property is developed further. The caveat to this, is that there would be a number of children with no alternative school to attend if Hope House School was unable to find a suitable site.
- 2.7 Offer a long-term lease with an income of approximately £40,000 per annum. There is no guarantee that Hope House School will agree to this, and they may choose to relocate to a different property.

3.0 Implications

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

3.1 Financial Implications (FIN25-26/782)

- 3.1.1 The lease, described in paragraph 1.3, generates an income of £32,700. Since it is a full repair and maintenance lease, the associated property management costs are minimal. If the property were sold, this income would no longer be available to the General Fund.
- 3.1.2 If approval is given to sell the site, the value will be updated on the Council's asset register, and the asset will be classified as held for sale.
- 3.1.3 The capital receipt of £950,000 could be available to finance capital spend from 2025/26, reducing the future impact on the General Fund budget as a result of borrowing. This would save £19,000 in potential Minimum Revenue Provision (MRP) charges, for spend against an asset with a 50-year life, resulting in a net income loss of £13,700.

3.1.4 The end of lease term is March 2026. If the lease is surrendered prior to this date, there may be an in year rental loss. However, it is currently expected that completion will occur at end of lease term.

3.2 Legal Implications - LEG2425/5649

This report is for endorsement. Cabinet is the decision-making body under the Acquisitions and Disposals Policy for this disposal. The Legal team will need to be instructed in relation to this disposal.

3.3 Housing Strategy

3.3.1 The Hollies property is occupied by Hope House School, which whilst currently remote from the existing built development of Newark Urban Area, is located within the settlement boundary of the Newark Urban Area. Under Policy DM1 in the Amended Allocations and Development Management DPD, a wide range of development including education facility development can be supported in such locations. The site has been included within the Newark Urban Area because the property is within the NAP2B Land East of Newark strategic site allocation. Figure 6 in the Newark and Sherwood Amended Core Strategy highlights that this particular location within the allocation has been designated for green infrastructure and drainage uses. However, this designation is only indicative, and no planning permissions have been granted on site yet and existing uses within the allocation are not restricted.

3.3.2 In terms of alternative uses considered, the existing buildings at the Hollies could be considered for residential conversion. Whilst in principle this would be acceptable, further intensification beyond this on the site wouldn't be acceptable because despite it being within Newark Urban Area it is a relatively unsustainable location. There is currently a lack of sufficient footpath connection from the site to Balderton and Newark. In future no access is allowed from Barnby Road (where the property is situated) to the strategic site as this would impact on traffic levels on the nearby level crossing and road network.

3.3.3 With regards to local and national policy, Spatial Policy 8 in the Amended Core Strategy states that the loss of community facilities will not be supported particularly where it would reduce the community's ability to meet its day-to-day needs. Therefore, alternative uses which resulted in the loss of this facility would need to address this as part of any redevelopment.

3.3.4 Given the relative limitations of redeveloping the site and the level of return represented by redevelopment, the proposed approach is supported by the Planning & Growth Directorate.

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.

RICS Red Book Valuation for Hope House School, Barnby Road, Newark, NG24 3NE.

Note- parts are redacted as commercially sensitive.