

ECONOMIC DEVELOPMENT COMMITTEE

18 NOVEMBER 2019

OLLERTON HALL

1.0 Purpose of Report

1.1 To update Members on the negotiations with the ‘preferred bidder’ for Ollerton Hall.

2.0 Background and Update

2.1 Members will recall from the November 2019 update that following an open market process 3 no. compliant bids were submitted for the redevelopment of Ollerton Hall. A preferred bidder was identified (as was an under-bidder in the event that terms could not be agreed), with Officers being given authority to progress with finalising legal terms which secured the following:

- The works being proposed by the preferred bidder being subject to the receipt of a planning permission and Listed Building Consent from the Council as Local Planning Authority [the preferred developer has also agreed to undertake public consultation as part of a pre-application process]
- That any planning and listed building consent applications include for an internal Schedule of Conservation Works (SCW) as defined by the Council
- That the works approved by the planning permission and listed building consent are implemented by the preferred bidder under a licence agreement, with the site effectively being ‘leased’ until practical completion, when the purchase transaction can take place with the preferred bidder for the agreed price
- That throughout the building process the Council employs a ‘Clerk of Works’ who will be responsible for the ongoing monitoring of the developers build programme (in terms of quality and timetable).
- That financial checks on the preferred bidder are concluded

2.2 Since November 2019 there has been an understandable pause between the Council and preferred bidder in order to understand any impacts of the Covid-19 pandemic. Encouragingly the preferred bidder has reaffirmed their willingness to enter into contract terms with the Council for the terms and price previously agreed.

2.3 The proposed legal documentation comprises an **Agreement for Lease** and a **Lease**.

2.4 Upon signing, the **Agreement to Lease** will bind the preferred developer to the following:

- To submit to the Council (as Landlord) proposed planning and listed building consent applications within 120 working days, and to in-turn submit these to the Council as Local Planning Authority within a further 20 days of confirmation that the Council agrees the content of the applications
- To notify the Council of any ‘unacceptable’ conditions within 10 days of receiving grants of planning permission and listed building consent. Unacceptable conditions in this case include that no S106 or CIL charge payments will be applicable. It must be noted that this will be a decision for the LPA to determine based on the planning submission of the preferred developer. This does not pre-determine the issue or bind the LPA. If the LPA determines that S106 contributions or CIL must be provided, the preferred developer will not be bound to purchase the building.

- A longstop date to secure planning permission.
- A requirement that the Council's SCW are included in the approved Listed Building Consent.
- That when all of the above is met the preferred developer pays the Council its deposit, with the **Lease** then commencing.

2.5 The Lease Secures:

- A deposit
- A requirement to implement the scheme in accordance with the approved planning permissions and listed building consents (as may be amended by the LPA)
- A requirement for a Clerk of Works to be employed to monitor progress of construction on the site
- That the preferred developer can purchase the site for the agreed price upon practical completion and Council sign-off (via the Clerk of Works) of the scheme

2.6 There remains some further work to conclude on mitigating financial risk in the early stages of implementing the development. Further information on this issue will be reported to the Committee as a late item if required, for forward consideration by the Policy & Finance Committee if required.

3.0 Equalities Implications

3.1 Equality impacts will be considered as part of the design, consenting, and construction of the final scheme by the preferred bidder.

4.0 Digital Implications

4.1 None with respect to the proposed construction, save for public consultation will/may utilise electronic means of communication should national or local Covid-19 restrictions require.

5.0 Financial Implications (FIN20-21/9601)

5.1 There are no revisions to the proposed disposal which differ from the Policy & Finance Committee decision at its 28 November 2019 meeting. It remains the case that the any capital receipt secured from the freehold sale of Ollerton Hall (net of any associated fees, including the Council's Clerk of Works) be ring fenced towards regeneration proposals within the Ollerton & Boughton area.

5.2 Over the period to date, the Council has been seeking to ensure that the preferred developer has sufficient resources (or access through a guarantor) in order to complete the necessary works as per the disposal contract. At the time of writing this report, the Council is yet to receive clarity over the guarantee.

6.0 Community Plan – Alignment to Objectives

The redevelopment of Ollerton Hall will secure a sustainable reuse of an important and iconic listed asset, delivering inclusive and sustainable economic growth and protecting the historic environment.

7.0 RECOMMENDATION

That the contents of the report be noted.

Reason for Recommendation

To keep Members informed of the latest position on plans to redevelop Ollerton Hall.

Background Papers

Nil

For further information please contact Matt Lamb on ext. 5842.

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Director – Planning & Growth**