

# CHESHIRE EAST COUNCIL

## STRATEGIC PLANNING COMMITTEE

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**Date of meeting:** 2nd December 2009  
**Report of:** John Knight, Head of Planning and Policy  
**Title:** Hankelow Hall, Hankelow, Crewe

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### **1.0 Purpose of Report**

- 1.1 To consider proposed amendments to the resolution passed by Crewe and Nantwich Borough Council in respect of applications P08/0869 and P09/0007.

### **2.0 Decision Required**

- 2.1 To agree to the amendments to the previous resolutions as stated in this report.

### **3.0 Background**

- 3.1 Hankelow Hall is a Grade II\* listed country house, dating from the early 18<sup>th</sup> century with alterations by William Baker in 1755. In the 1960's the Hall was divided into 8 flats, but this failed to raise sufficient funds for its proper repair and a Closing Order, confirmed in January 1982, terminated its residential occupation. The Hall had suffered from severe neglect by previous owners over several decades before the applicant acquired the property in 1988. In the early 1980's the Hall was nearly totally destroyed by a fire started by trespassers.
- 3.2 Listed Building Consent was granted in February 1996 for the reinstatement and reconstruction of the existing hall, and works have commenced on a single storey element to the rear and on vital but limited essential repairs to the fabric of the building. The property is now in a much better state of repair than it was in 1988 but urgent extensive repairs and restoration work are needed to preserve the historic structure to ensure that the Hall survives. A substantial section of the roof is missing and major structural repairs and rebuilding are needed to restore the roof and a complete rebuild of the whole parapet walling that has failed beyond repair.
- 3.3 A grant of £100,000 has been secured from English Heritage towards the cost of restoration. However, this only goes a short way towards meeting the total cost of over £3,000,000. As a result of this extremely high development / repair cost, last year, Crewe and Nantwich Borough Council resolved to grant planning permission for an Enabling

Development of four new dwellings at the entrance to the Hall on land at the terminus of Hall Lane. (P08/0869 refers)

- 3.4 Enabling Development is that which would normally be rejected as clearly contrary to other objectives of national, regional or local planning policy, but is permitted on the grounds that it would achieve a significant benefit to a heritage asset. Such proposals are put forward on the basis that the benefit to the community of conserving the heritage asset would outweigh the harm to other material interests. Therefore the essence of a scheme of enabling development is that the public accepts some disbenefit as a result of planning permission being granted for development which would not otherwise gain consent, in return for a benefit funded from the value added to the land by that consent.
- 3.5 The supporting documentation submitted with the application indicated that the "Conservation Deficit" (the negative amount of money remaining after deducting the value of the undeveloped site and the development cost from the value of the site after development) would be increased if the Inland Revenue decided that Capital Gains Tax (CGT) should apply to the up lift in value of the land resulting from the proposals. At that stage the applicants were advised that the complex CGT issues could not be resolved until a planning permission for the enabling development had been granted.
- 3.6 The applicant's financial advisors subsequently confirmed that this tax will apply to the development proposals and therefore planning permission was sought for the development of a further dwelling on the site to off-set this cost. (P09/0007refers) Crewe & Nantwich Borough Council also resolved to approve this application.
- 3.7 Both applications were subject to a legal agreement (including a performance bond) to ensure the delivery of the heritage benefits of the scheme, and a number of conditions.

#### **4.0 Proposals**

- 4.1 Since those resolutions were made discussions have been on-going with the applicants and their agents in respect of the detail of the agreement and a matter has arisen which requires consideration by the Board, namely, the issue of the Performance Bond.
- 4.2 The Performance Bond would enable the Council to secure the benefits not only through enforceable restrictions in the legal agreement but it would also provide a surety to meet some of the costs should the Council need to take remedial action in circumstances of default. The Performance Bond secures the cost of urgent remedial action in the event of default.
- 4.3 The applicant has provided a Schedule of Repairs to the Hall which shows the phasing of the repairs in five stages. The legal agreement, if a Bond is not required, will secure that all the repairs listed as

Phases 1 to 4 are completed prior to the enabling development being commenced. The remaining Phase 5 relates to final remedials and the enabling development itself. Without relying on money from the enabling development, the applicants' Bank has agreed to loan money in phases to complete the restoration. Once the restoration is complete as per the requirements of the legal agreement, the enabling development can take place which will release money to repay the bank.

- 4.4 The applicant has argued that this will have a number of advantages. The restoration programme begins immediately once the planning permission is in place and the restoration of Hankelow Hall and its setting does not depend upon the sale of either land or property from the enabling development site. The legal agreement will ensure that the applicant is unable to start the new development prior to the restoration of the Hall i.e. Schedule of Repairs and gives the Hall precedence and total security, against any eventuality which may occur.
- 4.5 The applicant has also drawn attention to two of his previous developments at Madeley Mill, Staffordshire and Newton Hall, Cheshire which were governed by a Section 106, preventing any new build prior to the restoration of the historic buildings and both have been successfully completed.
- 4.6 The cost of a Bond would be between 12K and 20K which would increase the overall costs of the project and it would also mean the enabling development plots must be sold immediately, when property values are at their lowest. This would result in an increase in the Conservation Deficit and may result in the project becoming unviable and more enabling development being required. Whilst interest rates are low, it makes sense to do the restoration first and to realize the enabling development in 2 years time when market recovery may have begun.
- 4.7 English Heritage have been consulted and have agreed that they have no objection to the removal of the necessity for a Bond, on the understanding that the restoration of the Hall is completed prior to the enabling development being commenced. The change in circumstances that they believe justifies this is that the owners have presented them with a financially viable solution that will enable repairs to the listed building to be completed without even starting the enabling development. The hall would however have to be fully externally and internally repaired before any works could start in respect of any enabling development. This would have to be agreed through a very strict wording within the Section 106.

## **5.0 Conclusion**

- 5.1 On the basis of the above, and subject to the proviso that the wording in the Section 106 ensures that the hall is fully externally and internally

repaired before any works, apart from utilities and ground works start in respect of any enabling development, it is considered to be appropriate to remove the requirement for the Performance Bond.

## **6.0 Recommendation**

- 6.1 That the Committee resolve to delete the requirement for the applicant to enter into a Performance Bond from the resolution of Crewe & Nantwich Borough Council in respect of applications P08/0869 and P09/0007.

## **7.0 Financial Implications**

- 7.1 There are no financial implications.

## **8.0 Legal Implications**

- 8.1 The Borough Solicitor has been consulted on the proposals and raised no objections

## **9.0 Risk Assessment**

- 9.1 There are no risks associated with this decision.

## **10.0 Reasons for Recommendation**

- 10.1 To allow negotiations in respect of the Section 106 to progress to signing, to enable the planning permission to be issued and Hankelow Hall to be restored.

### ***For further information:***

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### ***Background Documents:***

- *Applications P08/0869 and P09/0007*
- *PPG15 Planning and the Historic Environment*
- *English Heritage: Enabling Development and the Conservation of Significant Places - Policy and Guidance.*
- *Draft s.106 Agreement and Schedule of Repairs*