

Title: S106 Agreement, Old Leper Hospital/Chapel/Masters House,  
Saltisford

Lead Officer: Graham Leach, Head of Governance & Monitoring Officer,  
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Portfolio Holder: Councillors Davison and P Wightman

Wards of the District directly affected: Warwick Saltisford

<b>Approvals required</b>	<b>Date</b>	<b>Name</b>
<b>Portfolio Holder</b>	25/3/2024	Ian Davison Paul Wightman
<b>Finance</b>		
<b>Legal Services</b>	22/3/2024	Ross Chambers
<b>Chief Executive</b>	25/3/2024	Chris Elliott
<b>Programme Director Climate Change</b>	25/3/2024	Dave Barber
<b>Head of Service(s)</b>	25/3/2024	Graham Leach
<b>Section 151 Officer</b>	25/3/2024	Andrew Rollins
<b>Monitoring Officer</b>	25/3/2024	Graham Leach
<b>Leadership Co-ordination Group</b>	25/3/2024	
<b>Final decision by this Committee or rec to another Cttee / Council?</b>	Yes	
<b>Contrary to Policy / Budget framework?</b>	No	
<b>Does this report contain exempt info/Confidential? If so, which paragraph(s)?</b>	No	
<b>Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?</b>	Yes, Reference 1436	
<b>Accessibility Checked?</b>	Yes	

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## Summary

The report seeks authority for the Council to be a counter signatory to a S106 Agreement, as Land Owner, between West Midlands Historic Building Trust (as the applicant) and Warwickshire County Council.

## Recommendation(s)

- (1) That the Cabinet notes the latest position on the redevelopment of the Old Leper Hospital/Chapel/Masters House, Saltisford.
  - (2) The Cabinet approves the Council becoming a signatory as land owner to the S106 agreement between the parties in respect of biodiversity off setting in line with the agreed planning permission.
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## 1 Reasons for the Recommendation

- 1.1 Warwick District Council has a long-term ambition to bring the Old Leper Hospital site (Chapel/Masters House and surrounding land), now designated with the formal project title of St Michael's Place, back into use.
- 1.2 Warwick District Council purchased the site in 2020 after it had not been in use for a significant number of years, potentially as far back as the early 1960's.
- 1.3 The Council has entered into a partnership agreement with West Midlands Historic Building trust, working with Historic England, to bring the site back into use as housing. This agreement sees the Council transferring the site to the West Midlands Historic Building Trust once funds are in place to redevelop the Chapel and Masters House. This enables easier leverage of funds and specialist knowledge to deliver the works on these two historically sensitive buildings (which continue to be included on the Historic England at risk list) back into use for housing. In order to meet the requirements of the grant once the works are completed the plan is that the buildings will be initially leased back to the District Council for a set period followed by transfer of the freehold at a later stage.
- 1.4 The Council, working with its partners (The West Midlands Historic Building trust and Historic England, with National Lottery funding), brought forward a viable scheme which was resolved to be granted by Planning Committee in October 2021. The resolution to grant was subject to completion of a S106 agreement to secure Bio Diversity Offsetting. The draft S106 agreement proposes that this obligation will be met either by the provision of biodiversity enhancements off-site or the payment of a Bio Diversity Contribution to Warwickshire County Council of no more than £55,887 subject to the Relevant Index for the purposes of enhancing and securing long-term management of biodiversity within the vicinity of the site. The obligation is enforceable against the District Council as current land owner.
- 1.5 In addition to the redevelopment of the Chapel and Masters House, the Council, as Housing provider intends to develop a small block of flats at the rear of the site, which also has planning permission in place.
- 1.6 Since the approval of planning application, a number of works have been undertaken on site, including removal of Japanese knotweed from the site, exploratory works for bringing services (water, electricity etc) on to site. There have been complications with the development with an expected housing

partner dropping out of the development of the new builds to the rear of the site, now replaced by the Council/HRA and the need to undertake appropriate procurement architects for this aspect.

- 1.7 Exploratory works, funded by Historic England, both ground penetrating radar and a selection of trial trenches have identified likely medieval remains at the front of the site parallel to Saltisford road. The details of these, is currently being assessed and will be detailed in the archaeologists report. However these findings are expected to require some revisions on the route the services will take into the site.
- 1.8 The project has secured funding from the National Lottery to develop the scheme for the Chapel and Masters House up to RIBA level 4 and has also received favorable indications from the lottery on the potential for funding a large part of the works to bring these two main buildings back into use. The HRA development to the rear of the site also has funding to develop up to the same RIBA level.
- 1.9 With further discussions between the partners, it is possible to refine and improve the approved designs for the Masters House and also the proposed flats at the rea of the site (so they have a better complimentary feel to the site). In addition, there continues to be work undertaken to ensure all buildings on the site will have a sustainable heating, with the potential ground or air source heating scheme being explored. It is envisaged that a further report will be brought back to Cabinet at RIBA Stage 4, and/or prior to any further planning application submission to confirm funding and development arrangements.

## **2 Alternative Options**

- 2.1 At this time no alternative to proposed as this is a long standing project and ambition for the Council.

## **3 Legal Implications**

- 3.1 The s106 agreement needs to be entered into and completed in order for the planning permission for this project to be issued by the local planning authority. Warwick District Council, as site owner, is responsible for complying with the obligations in the agreement and have agreed to make the contribution. If the agreement is not entered into it would also jeopardise National Lottery funding for the project.

## **4 Financial Services**

- 4.1 There are no direct financial implications of this report, as the s106 cost will be met by the applicant, although it should be noted that there are ongoing costs in maintaining the site in its current form (for example maintaining boundaries and the weekly checking of the scaffolding on the masters house) which do impact on the overall budget available. For the 2024/25 municipal year there is an allocate capital budget of £302,000 however some of this expected to be drawn forward to the 2023/24 financial year due to the additional costs of knotweed removal and continued checking of the scaffold. Therefore, additional money may be required this year to contribute to the partnership agreement. This will be detailed within the next report to the Cabinet.

## **5 Corporate Strategy**

- 5.1 Warwick District Council has adopted a Corporate Strategy which sets three strategic aims for the organisation. The report dos not directly contribute to the aim of Delivering valued, sustainable services.

- 5.2 Low cost, low carbon energy across the district – The project seeks to bring two empty buildings back into use to provide sustainable living accommodation in the district, helping to demonstrate what can be achieved with significant, valuable an old buildings.
- 5.3 Creating vibrant, safe and healthy communities of the future – The redevelopment of set helps being back into use an area of land that has been out of use for a significant number of years and potential site for anti social behaviour. The approved planning applications also includes some public access to the site and interpretation/explanation of the sites history.

## **6 Environmental/Climate Change Implications**

- 6.1 The site at present is constrained and large part of it (from old maps) used to form part of the land associated with the gasworks. To enable the development to go forward it was regrettably accepted that the biodiversity net gain would need to be allocated off site but nearby, which was supported by Warwickshire County Council. This will be revisited in any future planning application that comes forward to see if improvements can be made within the limited area.

## **7 Analysis of the effects on Equality**

- 7.1 There are no Equality issues associated with this proposal.

## **8 Data Protection**

- 8.1 There are no data protection implications of the proposal.

## **9 Health and Wellbeing**

- 9.1 There are no direct health and wellbeing implications of the proposal.

## **10 Risk Assessment**

- 10.1 There is a risk register for the project overall which is maintained by the project board. The main risk associated with this report is the failure to agree to the Section 106 agreement. Without this the funding from the National lottery cannot be realised in full which will stop the development of the scheme to RIBA Level 4 and could result in the Council having to find additional funds (circa £175,000) to fund this work to enable the development to come forward.

### **Background papers:**

### **Supporting documents:**

[Planning Committee 21 October 2021](#)

[Cabinet 29 June 2020](#)