

TELFORD & WREKIN COUNCIL

CABINET – 25 JUNE 2015

PROVISION OF GRANT FUNDING TO FACILITATE THE RESTORATION AND REUSE OF THE FORMER CHARLTON ARMS HOTEL, WELLINGTON

REPORT OF THE ASSISTANT DIRECTOR: PLANNING SPECIALIST

LEAD CABINET MEMBER – COUNCILLOR RICHARD OVERTON

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 The former Charlton Arms Hotel ceased trading some years ago. Since that time the building and surrounding site have been unused and gradually deteriorating.
- 1.2 The building is listed and considered to be an important heritage asset in Wellington, located on Church Road at the centre of the town.
- 1.3 Members of both Telford & Wrekin Council and Wellington Town Council have supported the regeneration of Wellington. At the meeting on 11 December 2014 Cabinet approved a report setting out measures to continue the regeneration of Wellington Town Centre (copy attached at Appendix 1). The site has the benefit of an extant planning consent for 41 residential units, including the restoration and conversion of the listed building to create 11 apartments, but has remained vacant.
- 1.4 The purpose of this report is to seek Cabinet approval to provide the site owners with funding in the form of a grant from agreed S106 contributions for off-site affordable housing to assist in the provision of four affordable dwellings as part of the restoration and reuse of the Charlton Arms for apartments and the development of the surrounding site for new homes. This will assist the viability of a comprehensive restoration and redevelopment scheme for the site as a whole.

2. RECOMMENDATIONS

- 2.1 **That Cabinet approves a supplementary capital approval, capital estimate and temporary borrowing (pending the receipt of Section 106 contributions of £0.3m to fund the grant to Support the provision of described in paragraph 4.3);**
- 2.2 **That Cabinet authorise the Director of Neighbourhood, Customer and Cultural Services to enter into the proposed grant agreement referred to in this report.**

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	The restoration and reuse of the Charlton Arms has been wanted by local people and interest groups since its

		closure. It is a priority of both the Borough and the Town Council.
		Will the proposals impact on specific groups of people?
	Yes	The proposed action will bring an important and valued heritage asset back into use and will enhance Wellington Town Centre and Conservation Area.
TARGET COMPLETION/DELIVERY DATE	Cabinet - 25 June 2015	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes/No	The proposed £300,000 grant should ultimately be funded by agreed Section 106 contributions for offsite affordable housing. The Council will need to fund the cash-flow cost of the grant pending receipt of the section 106 contributions which is an unbudgeted revenue cost although it should be possible to fund this from the treasury management budget. Should the Section 106 contributions not be forthcoming, for example if the developments that they relate to not proceed, an ongoing revenue cost of £17,000 would arise. KC 8/6/15
LEGAL ISSUES	Yes	The terms of the Grant Agreement governing the terms of the £300,000 grant to the developer have been agreed which require the funds to be spent on the provision of affordable housing. The terms of the Section 106 agreement have also been agreed which ensure that the affordable houses will be provided in the longer term. The anticipated sources of the £300,000 are the financial contributions towards the provision of off-site affordable housing which are set out in existing Section 106 agreements with other developers/owners. Payment from those developers/owners will be received when the related developments have reached certain specified "trigger" points in their progress. (IR 08/06/15)
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	If the Charlton Arms is not restored and re-used the building is likely to continue to deteriorate affecting the appearance of this part of the Wellington Centre and Conservation Area.
IMPACT ON SPECIFIC WARDS	Yes	The proposed action will provide a significant visual improvement in this part of Wellington Centre and secure an important heritage asset in Wellington.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

- 4.1 The former Charlton Arms Hotel closed some years ago and since that time has remained vacant. Its restoration and reuse for residential units has been the subject of discussions with the owners. The former hotel is a Listed Building and a prominent feature on Church Street which is included in the Wellington Conservation Area.
- 4.2 Planning permission has been granted for the restoration of the Listed Hotel Building for apartments and 41 residential units (including the 11 apartments) on the site around the

Listed Building. However in the current economic environment the owner/developer is unable to fund the development and the project remains unviable without some form of intervention to assist the owners. Some cosmetic treatment to improve the frontage of the Hotel building has been undertaken.

- 4.3 The form of intervention proposed is to provide a contribution of £300K to be spent on the provision of four affordable homes on site. This would constitute a variation to the current planning requirements which do not demand the provision of any affordable units. The proposal would assist the overall viability of the development and enable the restoration of the former Hotel to proceed and the delivery of four affordable homes in Wellington.
- 4.4 The financial assistance would be provided in the form of a grant funded from Section 106 financial contributions for the provision of off-site affordable housing. The terms of this grant contribution and the terms of a Section 106 planning agreement in respect of the affordable houses have been agreed with the owner/developer who is now ready to commence work on site.
- 4.5 The Council has taken advice on the legal issues involved in the proposed intervention and has been assured that the proposed approach complies with the relevant legal and financial regulations. It is also considered to provide good value for money in relation to the provision of affordable housing and the restoration and reuse of a priority site in Wellington as set out in the Wellington Town Centre Regeneration Action Plan, approved by Cabinet at the meeting on 11 December 2014.
- 4.6 This report seeks Cabinet approval to a supplementary capital estimate and temporary borrowing (pending receipt of Section 106 contributions) to fund the grant to support the provision of affordable housing units at the Charlton Arms site as described above, and to confirm through the exchange of documents with the site owner.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

- 5.1 The proposed financial support will have a positive and lasting impact on the quality of Wellington Town Centre, helping to conserve and reuse a prominent Listed Building and securing the historic street frontage onto Church Street which is an important part of the Wellington Conservation Area.

6. PREVIOUS MINUTES

Cabinet : 11 December 2014 (CB-64)
Wellington Town Centre Regeneration

7. BACKGROUND PAPERS

Report prepared by Michael Barker, Assistant Director: Planning Specialist
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