
BRAUNSTONE HALL

Report of the Director of Environment and Development and Commercial Services

1. Purpose of Report

To obtain approval to the granting of two consecutive leases of Braunstone Hall, together with the adjoining stable block and walled garden to the Braunstone Community Association (BCA).

2. Summary

This report advises Members of the outcome of negotiations for the long lease of Braunstone Hall and the adjoining stables and ornamental garden to BCA. The report sets out the main terms of the proposed leases which, once entered into, will enable the BCA to proceed with the refurbishment of this Grade II listed building.

3. Recommendations

Cabinet is recommended to approve the following:-

- 1) that the terms for the 5 year building lease and the 125 year occupational lease, as set out in the report, are approved.
- 2) that authority is delegated to the Director of Environment, Development and Commercial Services, in consultation with the Lead Cabinet Members for Strategic Planning and Regeneration, and Finance and Resources, to:-
 - (a) vary the terms now reported in the event of circumstances arising which necessitate such a variation.
 - (b) take a lease back from BCA, if required, to secure the continued occupation of part of the property for grounds maintenance depot or other operational purposes.
 - (c) to agree terms for an Agreement to Lease, if requested by BCA.
- 3) that the Head of Legal Services is authorised to enter into the various agreements/leases referred to above.

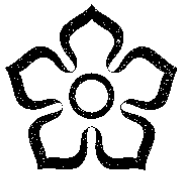
4. Financial, Legal and Other Implications

- 4.1 The proposed leases at peppercorn rentals have no revenue or capital implications. The structure of the proposal must be in a form to ensure that the City Council does not become liable for significant VAT costs. Appropriate expert VAT advice will be obtained prior to entering into the lease.
- 4.2 The lease terms have been negotiated to ensure that the leasehold disposal at a peppercorn rent is covered by the Local Government Act 1972 General Disposal Consents 1998. Particularly, the uses permitted within the lease ensure that the proposed use of the building by BCA is improving the well being of the community by contributing to its economic, social or environmental well being, as provided for within the Local Government Act 2000.

5. Report Author:

S C Ingham
Acting Head of Property (Assets)
Extn. 5002

Lynn Cave
Acting Assistant Director (Environment and Development) – Corporate
Property Officer



Leicester
City Council

**WARDS AFFECTED:
BRAUNSTONE WARD**

CABINET

5 NOVEMBER 2001

BRAUNSTONE HALL

Report of the Director of Environment and Development and Commercial Services

SUPPORTING INFORMATION

1. Report

- 1.0 Braunstone Hall was acquired by the City Council from the County Council at Unitary Status. Subsequently, the opportunity for New Deal funding arose and, having regard to the potential opportunities for the future use of the building as part of the New Deal, it was retained in anticipation of a successful bid. Following the success of the bid, discussions have taken place with the Braunstone Community Association (BCA) regarding the future of the hall, adjoining stable block and wall garden (see attached plan).
- 1.1 I obtained approval at the Cabinet meeting on 29 January 2001 to the principle of BCA having use of and developing Braunstone Hall, subject to detailed consideration of the legal and lease arrangements being reported back to Cabinet (minute 131 refers).
- 1.2 A number of complex issues had to be addressed with regard to the lease terms and I am pleased to be able to report that a provisional agreement has now been reached with BCA in accordance with the following main terms:-
- 1) A building lease to enable the property to be refurbished is to be granted, from a date to be agreed, for a period of 5 years. On practical completion of the refurbishment works a long lease to be granted for a period of 125 years. The 125 year lease to be reviewed after 5 years to enable the terms of the lease to be reconsidered with a view to extending the lease (subject to no fundamental breach having occurred in the first 5 years of the term).
 - 2) Both leases will be on the basis of peppercorn rentals throughout the terms of the leases and no premium will be paid.

- 3) The ornamental walled garden to remain in its current use and to be accessible to the public free of charge for a minimum period each year. (This period to be agreed in consultation with the Director of Arts and Leisure). The use of the garden to be available for other leisure purposes or commercial purposes subject to the approval of the City Council (such approval not to be unreasonably withheld). The uses proposed are to be submitted by BCA annually in advance as part of their events programme for each coming year. Any uses proposed must not threaten the established historic fabric of the garden (e.g. use of ball games will not be permitted).
- 4) The property to serve the wellbeing of the local community in social, economic or environmental terms. In particular, the buildings to be used for community use and benefit only in accordance with the following definitions:-

Community use

Use of the buildings by the community benefited or intended to be benefited from the constitution of the BCA for social, community, educational, health and welfare use. This would include the use as a community centre, a community point, meeting hall or for meeting rooms, youth centre, social club or recreation.

Community Benefit

Activities, the income from which would be used for the sole benefit of the community through the promotion of community well being, in accordance with BCA's constitution of business objectives.

- 5) BCA has agreed a number of uses of the building in each case, subject to planning consent. Based on the gross floor area the maximum percentage use of each element is as follows:-

Retail	15% of the gross floor area
Offices/Industrial	80%
Multi Media Centre	50%
Catering/Restaurant	20%
Exhibition	No restriction
Community	No restriction (but see below)
Residential	30%
Public House	15%
Leisure	50%
Museum	15%

At least 20% of the building to be in community at all times; use for a hot food take-away will not be permitted.

- 6) Subletting of the buildings to be permitted once the development is completed. Leases in excess of 21 years will require the Council's written consent, such consent not to be unreasonably withheld.

- 7) Assignment and or mortgaging of BCA's interest in the buildings is prohibited save in regard to a charge in favour of Government Office East Midlands (GOEM) and the GOEM will have the right to step in, in the event that BCA fail to meet their obligations under the lease. (Members had expressed some concern as to GOEM's objectives in the event that they had to exercise their step in rights. GOEM has indicated that it would not support any use of the property which was not in accordance with community based objectives.
 - 8) The Council's 'Good Employer Conditions' will be included with the leases.
 - 9) Conditions relating to environmental protection will also be included within the leases.
 - 10) A condition to allow the Council to re-enter the building in the event of a substantial and significant breach of the conditions of the lease (subject to GOEM's rights in (7) above).
 - 11) Each party to bear their own legal and surveyors costs.
- 1.3 With regard to the building lease, this will require the Council's approval to plans before entering the site, such approval not to be unreasonably withheld.
- 1.4 As part of the "planning for real" exercise undertaken by the BCA, Braunstone Hall and Park generated the most interest with many varied ideas coming forward. During the course of this year the BCA has progressed their proposals and the current position is, that following the agreement of terms, the BCA will commence the process for the appointment of consultants for the regeneration of the Hall for the purpose of a combined community and commercial project. It is anticipated that, bearing in mind the necessary statutory and other process together with the need for complementary funding, a start on site could be made in about 15 – 18 months time, with completion by Summer 2004.
- 1.5 The BCA is liaising closely with the Director of Arts and Leisure with regard to the Braunstone Park Regeneration project and this will be reported to Cabinet during November. The stable block at Braunstone Hall provides an operational base for parks maintenance staff and also the Education Action Zone, the latter occupying space under a formal agreement. BCA and the City Council and the occupiers will be making appropriate arrangements to ensure that these services can still be delivered locally during the period of refurbishment.
- 1.6 BCA, prior to entering into the building lease, will need to secure GOEM funding, planning permission etc. BCA has suggested an Agreement to Lease is granted by the City Council to enable it to work up the proposals in the knowledge that, subject to securing funding etc, it has secured the leases. It is anticipated that this process will take up to 18 months.

FINANCIAL, LEGAL AND OTHER IMPLICATIONS

1. Financial Implications

The granting of the leases at peppercorn rents has no revenue or capital implications. The structure of the proposal must be in a form to ensure that the City Council does not become liable for significant VAT costs. Appropriate expert VAT advice will be obtained prior to entering into the lease.

2. Legal Implications

The lease terms have been negotiated to ensure that the leasehold disposal at a peppercorn rent is covered by the Local Government Act 1972 General Disposal Consents 1998. Particularly, the uses permitted within the lease ensure that the proposed use of the building by BCA is improving the well being of the community by contributing to its economic, social or environmental well being, as provided for within the Local Government Act 2000. The reference to 'Community Benefit' in the lease recognises the partnership working with BCA and the link to the Disposal Consent. The provision will be very difficult to monitor and, therefore, in the unlikely event of enforcement arising, it is also likely to prove very difficult to enforce.

3. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph Within report	References
Equal Opportunities	NO		
Policy	NO		
Sustainable and Environmental	YES	1.2 (9) on page 5	
Crime and Disorder	NO		
Human Rights Act	NO		

4. Background Papers – Local Government Act (Access to Information) 1985

None other than those referred to in the report.

5. Consultations

Assistant Head of Legal Services (Commercial and Property).

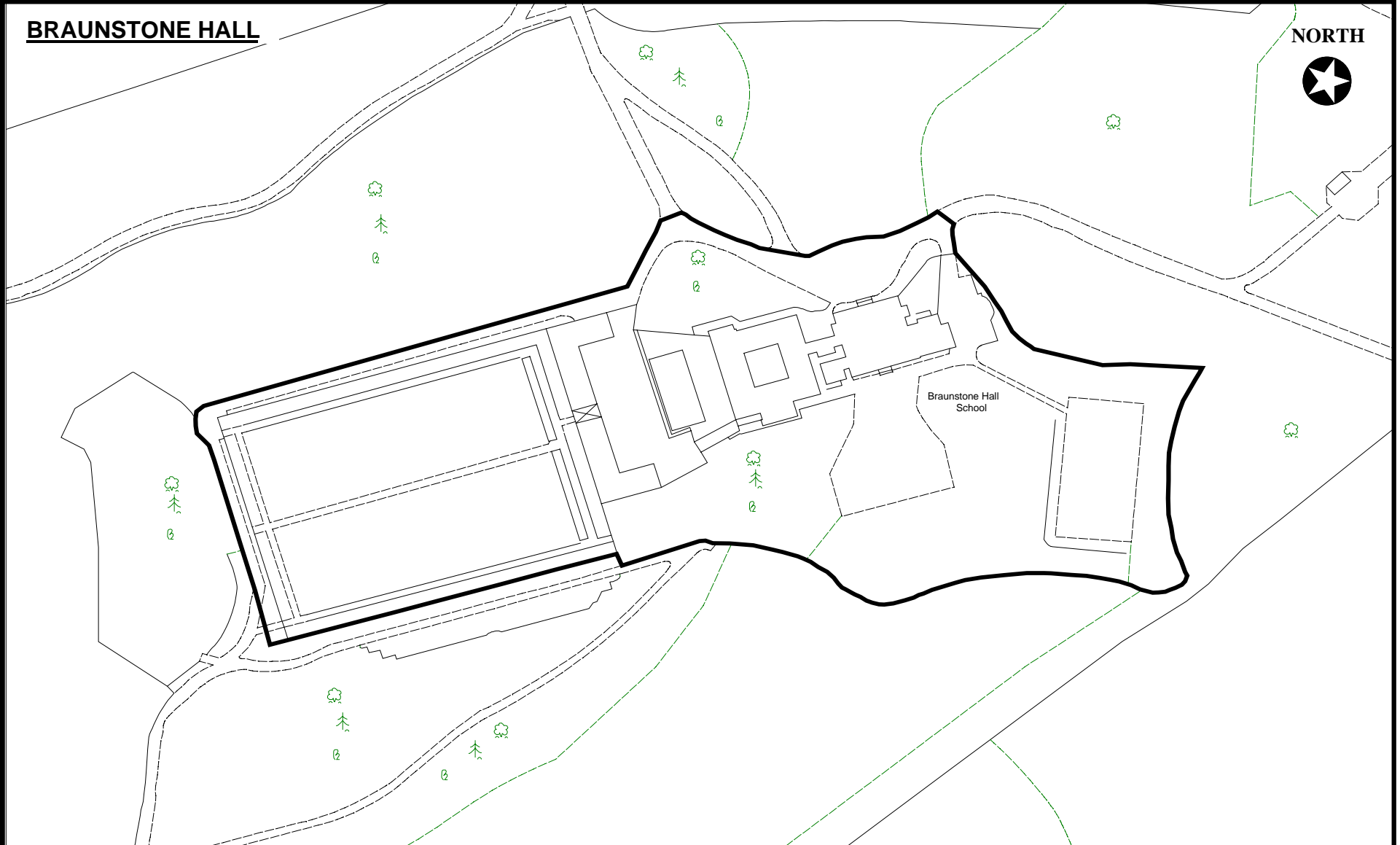
6. Report Author

S C Ingham
Acting Head of Property (Assets)
Extn. 5002

Lynn Cave
Acting Assistant Director (Environment and Development) – Corporate Property Officer

BRAUNSTONE HALL

NORTH



BASED UPON THE ORDNANCE SURVEY MAP WITH THE SANCTION OF THE CONTROLLER OF H.M. STATIONARY OFFICE. CROWN COPYRIGHT RESERVED. LICENCE No.LA078417

DRAWN BYLT..... PLAN No Cttee 11
CHECKED BY.....LMC..... DATE 17/01/2001.....

NOT TO SCALE

PETER CONNOLLY, DIRECTOR OF ENVIRONMENT, DEVELOPMENT AND COMMERCIAL SERVICES LEICESTER CITY COUNCIL