
Executive Decision

**CAT Lease for Home Farm Neighbourhood Centre
Home Farm Close
Beaumont Leys
Leicester
LE4 0SU**

Decision to be taken by: City Mayor

Decision to be taken on:
2 December 2024

Lead Director: Matthew Wallace

Useful information

■ Ward(s) affected: Western

■ Report authors:

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■ Report version number: FINAL

1 Summary

To seek approval for a lease renewal for a Community Asset Transfer (CAT) of Lease of Home Farm Neighbourhood Centre, Home Farm Close, Beaumont Leys, Leicester, LE4 0SU for 10 years outside the Landlord and Tenant Act 1954.

2 Recommended actions/decision

- 2.1 It is recommended that Beaumont Leys Muslims shall be granted a 10 year CAT lease, contracted out of the Landlord & Tenant Act 1954 at a peppercorn rent (with a rent review in the fifth year of the term) with an annual fee of £2,500 payable to the Council for administration services which includes building inspection and compliance checks.
- 2.2 Given that the lease term is over a period of 7 years it is classed as a disposal. Therefore, an Executive Decision Paper is required to obtain City Mayor decision.

3 Scrutiny/stakeholder engagement

- 3.1 Leicester City Council as the Landlord have been in contact with Beaumont Leys Muslims (tenant) to review their existing CAT lease agreement which commenced on 23 June 2017 and expired on 22 June 2022. The tenant is currently holding over at a peppercorn rent. Estates and Building Services have undertaken a compliance check of the building and have assessed the building condition. Overall, the building is in a compliant state.
- 3.2 In addition, Neighbourhood & Environmental Services (NES) have met with the tenant to review the existing business plan as part of the current CAT lease along with the new business plan for the new CAT lease. NES are satisfied with the current and the future business plan to be incorporated within the new CAT lease.

- 3.3 The premises current use is for community purposes in keeping with the Tenant's stated intention in their business plan.
- 3.4 Review visits to inspect the building's condition, compliance with regulation and delivery of the business plan is to be undertaken by the City Council's representatives annually.
- 3.5 It is proposed that, following the expiry of the existing leases, new CAT lease should be granted unless there is a good reason for the Council as landlord not to do so. Reasons for not renewing the lease may include:
 - Failure of the lessee to comply with the terms of the original lease including delivery against the agreed business plan;
 - Failure of the lessee to adequately maintain the building;
 - Land/property required by the Council for alternative purposes.
- 3.6 The Lessor and Lessee shall be entitled to determine this Lease only during the fifth year of the term by serving not less than 6 months' notice in writing to each party.

4 Background and options with supporting evidence

Beaumont Leys Muslims (BLM) have been occupying Home Farm Neighbourhood Centre on a 5-year CAT lease since 23 June 2017 at a peppercorn rent. They have met the existing lease conditions of maintaining and keeping the building in a compliant state. They have also delivered the requirements of the existing business plan from 2017 and therefore, they have requested a lease for a second term of 10 years.

- 4.1 A new business plan has been developed by BLM which will be embedded into the new lease. BLM will continue to host a pre-school on the first floor of the Grade II listed building, and to deliver other community services and cultural services from the main hall. In addition, BLM offer community room hire at affordable rates for five rooms within the building. BLM are committed to a development programme (detailed in their business plan) to bring further community benefits over the next period, including sports activities, community gatherings, mental health awareness and support and careers events.
- 4.2 Beaumont Leys Muslims is a registered charity. The organisation has five trustees and 10 registered volunteers.
- 4.3 The most recent accounts filed by BLM up to 31 March 2023 indicate the organisation is financially stable with a regular turnover from donations and room hire income, with a small overall annual profit being returned.
- 4.4 Based on the performance of the past six years, the sound property and financial management of the organisation together with the community benefits delivered, a 10-year CAT lease is recommended, contracted out of the Landlord & Tenant Act 1954 at a peppercorn rent plus a £2,500 annual charge to meet administrative costs of checking inspection, compliance and their business plan. A 5-yearly rent review is

recommended.

5 Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications (Stuart McAvoy)

This report recommends the continuation of an existing CAT lease at peppercorn rent. For the benefits outlined within this report, the principal cost to the Council is an opportunity cost of not letting out the building at full market rent to another organisation or utilising it for other Council purposes. All other costs being incurred by the Council are covered by the £2,500 payment from Beaumont Leys Muslims.

Signed: Stuart McAvoy

Dated: 6 November 2024

5.2 Legal implications (Zoe Iliffe)

The Council has a legal obligation to dispose of land at the best consideration reasonably obtainable in accordance with s.123 of the Local Government Act 1972 (as amended). Open marketing is acknowledged to achieve best consideration. A disposal includes either a freehold sale or lease for a term of more than 7 years.

The Council has the power to dispose of land and property at less than best consideration in accordance with the 2003 General Disposal Consent for the disposal of land and property. In order to utilise the Consent, the Council must be satisfied that the proposed disposal will contribute to the social, economic or environmental well-being of the area in which the property is situated. The limit of the undervalue in respect of each individual site must not exceed £2m, which does not appear to be the case with the proposal. On the basis of the information contained in this report, the proposed disposal would comply with the requirements of the Consent.

Following the implementation of the Localism Act 2011, the Council adopted the Community Asset Transfer Policy to enable community groups the opportunity to have a greater control in their community governance. Any decision to dispose may only be made if the procedure within the Policy has been followed.

Given that any disposal under the CAT Policy at less than best consideration will have a financial implication for the Council, the Council will also need to ensure that the Council's general fiduciary duty is complied with in disposing of assets in accordance with the GDC or the Disposals Framework. Any documentation will need to contain provisions which will secure the achievement of the benefits set out in this report or the terms subsequently agreed.

Signed: Zoe Iliffe, Principal Lawyer (Property Highways & Planning)

Dated: 6 November 2024

5.3 Equalities implications

The Council's Public Sector Equality Duty (PSED) as set out in the Equality Act 2010 require decision makers to be aware of and take account of the impact of its proposals on those likely to be affected.

Under the Equality Act 2010, public authorities have a PSED which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The reports seeks approval for a new Community Asset Transfer (CAT) Lease of Home Farm Neighbourhood Centre. The Council's Community Asset Transfer policy seeks to deliver benefits to the local community, benefits to the Council and other public sector service providers, and benefits for the organisation taking ownership. From an equalities perspective, the most relevant consideration is that of benefits to the local community. Community-led ownership offers additional opportunities to empower local citizens and communities. There are no direct equalities implications arising from the report.

Signed: Surinder Singh

Dated: 29 October 2024

5.4 Climate Emergency implications

There are limited climate emergency implications associated with this report, as the building would maintain its current status under the recommended outcome. More widely, energy use within buildings is a significant source of carbon emissions within the city, and a key area to tackle following the council's declaration of a climate emergency of a climate emergency and ambition to reach net zero carbon emissions. This is particularly important where the council has a higher level of control.

As such, consideration should be given to opportunities to encourage and enable the occupant to improve the energy efficiency of the building as relevant, through measures such as low energy lighting, improved insulation and low carbon heating. Alongside reducing carbon emissions, these measures could also reduce energy bills and increase comfort levels in the buildings.

Signed: Aidan Davis, Sustainability Officer, Ext 37 2284

Dated: 30 October 2024

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None

6 Background information and other papers:

7 Summary of appendices:

Appendix 1 – Site Plan

8 Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9 Is this a “key decision”? If so, why?

No

Appendix 1 – Site Plan

