

Leicester  
City Council

**WARDS AFFECTED:**

**BRAUNSTONE PARK &  
ROWLEY FIELDS WARDS**

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**

**CABINET**

**4 OCTOBER 2010**

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## **BRAUNSTONE HALL**

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### **Report of the Strategic Director, Development Culture and Regeneration**

#### **1. Purpose of Report**

- 1.1 Braunstone Hall is a grade 2 listed building which is in need of restoration and a sustainable future. The report proposes a course of action seeking to use other Council owned land to support its refurbishment.

#### **2. Summary**

- 2.1 Expressions of interest have previously been invited for the Hall but it has not proved possible to deliver its restoration. There is clearly a difficulty in getting a viable scheme without a financial contribution from the Council. A way of progressing this is to look at the possibility of selling land in the vicinity, which would only be developable if linked to the Braunstone Hall scheme. An area of Council owned land on the opposite side of Hinckley Road (approx. 1.54 acres, see attached plan) may offer this potential as “enabling land” with receipts being reinvested in the Hall.
- 2.2 The potential enabling land is currently allocated as green space in the City of Leicester Local Plan on which there is usually a general presumption against development. However if use for employment purposes would facilitate the restoration of the Hall, the Planning service have indicated that it may be possible for an exception and a case for development to be made.
- 2.3 A practical way of releasing any value from the enabling land is for it to be openly marketed. At this stage it is important to agree the principle of the Hinckley Road land as enabling land for the Hall, and also that an appropriate level of receipts would be available for reinvestment in the Hall.

- 2.4 In accordance with this principle, it is then intended to simultaneously market the Hall and enabling land as 2 separate opportunities with a further report being brought to Cabinet with the results and recommendations as to reinvestment of receipts.

### **3. Recommendations**

- 3.1 Cabinet is asked to approve:-

- i) The simultaneous marketing of approximately 1.54 acres of land at Hinckley Road and Braunstone Hall.
- ii) The principle of approximately 1.54 acres of land at Hinckley Road being used as enabling land for the Hall, and that an appropriate level of receipt, to be agreed, will be available towards the restoration of Braunstone Hall.

### **4. Report**

#### **Background**

- 4.1 The Grade 2 listed Braunstone Hall, dates from the 18<sup>th</sup> century, and stands at the centre of Braunstone Park. Concerted efforts have previously been made to bring it back into use involving the former Braunstone Community Association (BCA), now B-Inspired. Most recently expressions of interest were invited in late 2007.
- 4.2 A preferred bidder was selected to work with who wanted to convert it to a hotel and conference centre. His scheme originally required the development of houses on adjacent land in order to help 'enable' and finance it, but as these would have been on the Park itself this was not progressed. Since then he has been working on an alternative business plan for his proposals, with possible other 'enabling' sites having been looked at and funding sources explored. The conclusion has been that without additional public funding, a viable scheme for the Hall may not be achievable.

#### **Land at Hinckley Rd**

- 4.3 This is a triangular shaped area on the opposite side of Hinckley Rd to Braunstone Park bounded by Hinckley Rd itself, Brailsford Rd and the railway line. Although previously designated for employment purposes, since 1994 it has since been designated as Green Space in the City of Leicester Local Plan. With such a designation there is a general presumption against development that would lead to the loss of Green Space. However as a proposal for some form of development could help facilitate the restoration of Braunstone Hall, and therefore have a wider community benefit, it might be possible to consider that an exception is made. This is obviously subject to formal consideration by the City Council in its role as Planning Authority. More detailed comments are set out in section 4.12 – (Comments of Planning and Economic Development).

- 4.4 The optimum way of releasing any value from this land is to market it for a capital receipt. Offers can be invited subject to planning consent, with any prospective purchaser being given the ability to obtain planning consent for his development eg by way of a conditional contract.

### **Council Investment in Hall**

- 4.5 The possibility of Council funding for the Hall was not the case when expressions of interest were previously sought. Also there is a significant time period since last marketing , and there has been interest from another party. Consequently, it would be necessary to remarket the Hall. The previously selected bidder has been made aware of this, recognises the reasons, and is likely to continue his interest. Irrespective of who is selected following remarketing it is clear that the availability of Council funding will maximise the chances of the Hall being restored. Whether the possible financial input from the Council proves sufficient remains to be seen.
- 4.6 If funding is to be made available, there will need to be a clear, transparent process for drawing down funding and its timing. There are State Aid restrictions on the level of funding that could be provided to (see legal implications.), so only a proportion of the receipt may be available for the selected developer. However discussions could take place with the Halls selected developer, following marketing, as to whether elements of the restoration work directly commissioned by the Council could dovetail into a scheme. Also given the VAT considerations (see financial implications in 5.1), the Council itself undertaking the works itself is likely to be the way forward.
- 4.7 If Council funding is to be provided Members may wish to see that the Hall in some way provides benefit to the local community with some facilities available for public use. This can be addressed in the remarketing, although regard will need to be had to any procurement issues.
- 4.8 It would be ideal if the level of funding available from the Hinckley Road land is known prior to the remarketing of the Hall. This would assist potential developers of the Hall in knowing the level of Council investment available. However, this would delay the timescale for remarketing the Hall.

### **Way Forward**

- 4.9 A simultaneous remarketing of the Hall and marketing of the Hinckley Road land is proposed to keep the momentum behind the Halls restoration going. The considerable detail would then, following marketing, be addressed with the selected developer(s). In respect of the Hall, the marketing will indicate that an agreed level of Council funding, linked to the Hinckley Road land,

might be available. Agreement in principle at this stage to the enabling land will assist with the marketing details. If, ultimately, no receipt was obtained from the Hinckley Road land, in order not to then call a halt to the process for the Hall, alternative sources of Council funding would need to be explored.

4.10 Marketing will, however, help ascertain the level of interest, and a report will be presented back to Cabinet at that time.

4.11 One of the key reasons behind the need for Cabinet consideration at this stage is that by marketing the Hinckley Road land, the Council would be seeking development on land that as part of its planning policy is earmarked as Green Space.

#### 4.12 **Comments of Planning and Economic Development**

The land in question is designated in the local plan as green space and a Biodiversity Enhancement Site. It is overgrown and is covered by a large number of immature trees and bushes. All the trees on the site are protected by a woodland Tree Preservation Order; there are two mature oaks within this order which are of high amenity value and are particularly worthy of preservation.

The location of the site between Braunstone and Western Parks allows it to function as a wildlife corridor between these parks; given its undeveloped state it potentially has a high nature conservation value and may provide a habitat to protected species, most probably bats and badgers. The ecological value of this land cannot fully be established until a survey is undertaken. Assuming that no protected species are found, it is likely that the majority of the site can be developed while retaining the ecological corridor value of the site through appropriate landscaping.

A highway reservation line runs along the boundary of the site with Hinckley Road which is approximately 9 metres deep when measured from highway boundary. There is a long-term desire to connect existing bus lanes to the east and west of the site on Hinckley Road, and to provide a specific pedestrian bridge across the railway line next to the existing road bridge. Vehicular access would need to be taken from Oswin Road, which serves the industrial estate on the land to the west.

In planning policy terms, there is a presumption against the development of the land. A case to allow development can be made as the wider community benefit of the restoration and re-use of Braunstone Hall outweighs the desire to leave the land in question undeveloped. It could also provide benefits to the wider area through increased employment land, a new local landmark in a sustainable location, and increase surveillance of Brailsford Road, which connects Western Park to Hinckley Road.

## 5. **FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

5.1. Financial Implications – Nick Booth, Extn. 297160

Braunstone Hall was previously marketed for disposal, but no viable bid was received. It is the belief of officers within Strategic Asset Management that the building actually has a negative value.

It is now proposed that subject to planning permission being granted, a site at Hinckley Road of 1.54 acres be marketed for employment purposes, with the resulting receipt being used towards Braunstone Hall. This site is currently held for open space purposes and as such has a negligible value, whereas if planning permission is granted for employment purposes, it would attract a value.

If the sale receipt of the Hinckley Road site was earmarked towards Braunstone Hall, it should be noted that planning permission for the site to be used for employment use (which represents its' overwhelming value) would only be granted if the sale was linked to the hall. There is therefore no loss of potential capital resources.

The mechanism for any support for Braunstone Hall has still to be decided, and will be subject to a further report. State Aid rules limit direct support to a developer to 200,000 euros, but it may be possible for the Council to undertake improvements to the property itself before any disposal.

It is considered likely that any negative consideration, i.e. direct subsidy payment to a purchaser, could have an adverse effect on the Council's VAT 5% partial exemption limit, possibly adding up to up to 0.33% against that limit. One way to mitigate this would be for the Council to undertake the necessary repairs to the building itself prior to disposal. Providing the subsequent disposal is for no more than a peppercorn, the disposal is a 'non-business sale' and VAT incurred by the Council on repairs fully recoverable without impacting on the 5% partial exemption limit.

If Braunstone Hall was disposed of, the Council would no longer be liable for annual revenue costs of maintenance, security etc. This has been of the order of £30k p.a in recent years.

## 5.2. Legal Implications – Alex Snowdon, Extn. 296340

Under Section 123 of the Local Government Act 1972 the Council is required to dispose of land and property for the best consideration that is reasonably obtainable in the circumstances. However, the Council is permitted to dispose of land for less than best consideration in certain circumstances under the 2003 General Disposal Consent for land and property ("GDC"). The disposal must be one which will secure the economic, social or environmental well-being of the area in question in order for the disposal of the property to benefit from the GDC.

If the Council contributes towards the cost of the works required to the Hall, this effectively means that it is disposing of the property for less than best consideration. The Council will, therefore, need to ensure that any disposal is consistent with the powers contained in the GDC and that, on the basis of the advice contained in this report, social, economic and environmental benefits will flow from the disposal.

Given that any disposal 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 and the Property Disposal Policy Framework agreed by Cabinet in July 2003.

If funding is made available by the Council, this will constitute State Aid. There are restrictions on the amount of funding which can be given. This is usually 200,000 Euros over 3 years but, currently, due to the recession, this figure has been increased to 500,000 Euros over 3 years. This temporary increase is due to expire on 31 December 2010. Further aid can only be given if it comes within a Block Exemption. Legal Services will advise further, if necessary, when the identity of a potential developer is known.

If the Council decides that there should be some facilities to benefit the local community, consideration should be given to the 'Guidance on determining form of contract' contained in the Procurement Toolkit. If there is a procurement and the value of the works and/or services received exceeds the thresholds for public procurement then the Council's Contract Procedure Rules will need to be followed in accordance with the Public Contracts Regulations 2006.

### 5.3. Climate Change Implications

The proposals outlined in this report should not have a detrimental effect on the Council's climate change targets. However, the loss of any green space, especially if this will result in the loss of established trees, will impact upon the city's ability to adapt to the impacts of climate change.

**Helen Lansdown, Senior Environmental Consultant - Sustainable Procurement**

## 6. **Other Implications**

<b>OTHER IMPLICATIONS</b>	<b>YES/ NO</b>	<b>Paragraph/References Within Supporting information</b>
Equal Opportunities	YES	Marketing of Hall and Hinckley Road land – 4.9, 4.10 + 4.11
Policy	YES	Planning Policy 4.3 and 4.12
Sustainable and Environmental	YES	Sustainable future for Heritage Asset.
Crime and Disorder	NO	
Human Rights Act	NO	
Elderly/People on Low Income	NO	
Corporate Parenting	NO	
Health Inequalities Impact	NO	

## 7. Risk Assessment Matrix

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
1 Objections received to the development of the enabling land, and planning consent not obtained.	M	H	Consideration by City Council as Planning Authority.
2 Capital receipt not received from enabling land. Need to consider alternative source of funding or halt process for Hall.	M	H	At this stage the report concerns agreement to marketing and establishing the principle of enabling land. A further report to Cabinet will then be submitted on the outcome of marketing.
3 Enabling land developed, but restoration of Hall not achieved.	M	H	

## 8. Background Papers – Local Government Act 1972

8.1. None.

## 9. Consultations

9.1. Planning and Economic Development  
Financial Services  
Legal Services

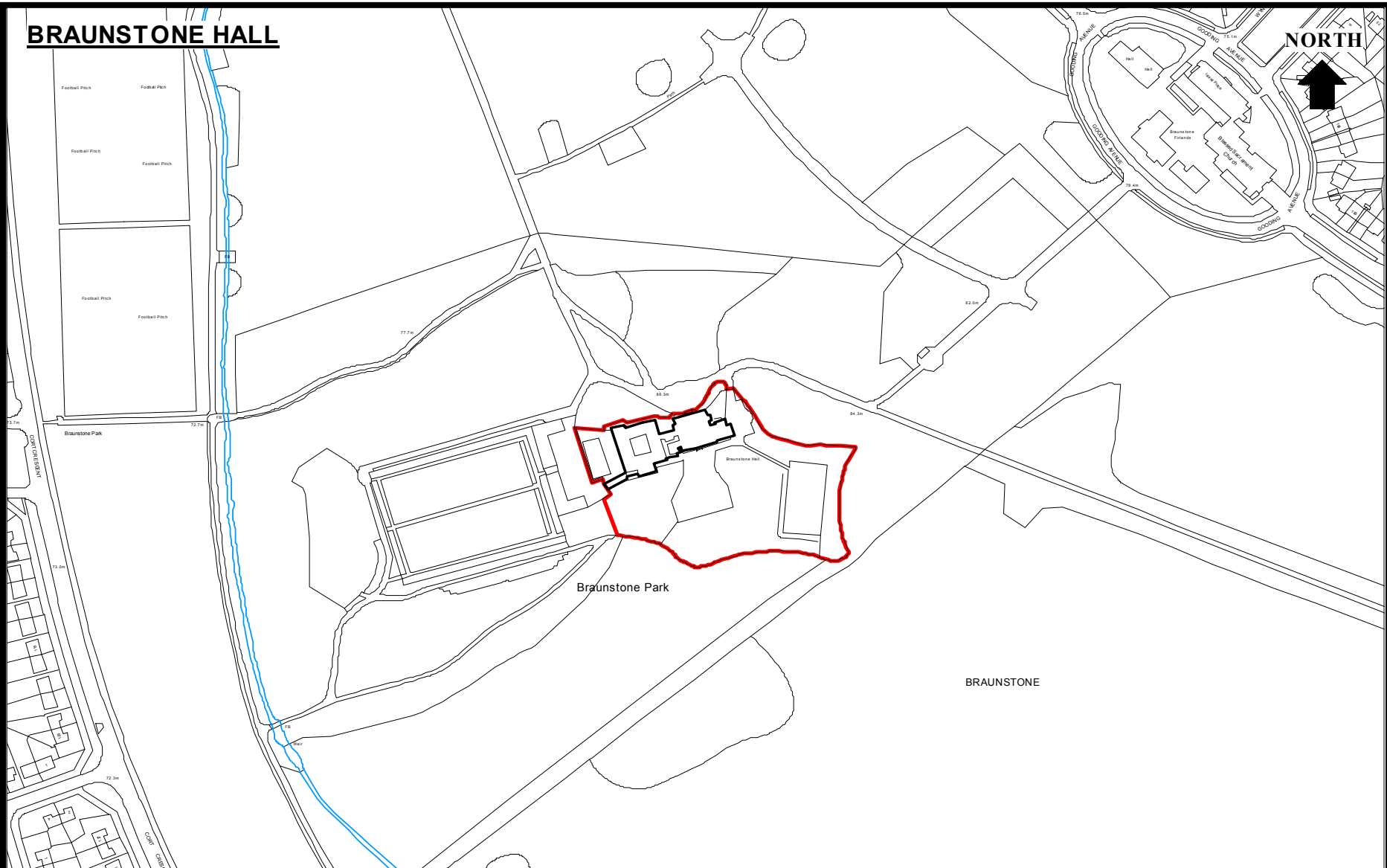
## 10. Report Author

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<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	N/A
<b>Executive or Council Decision</b>	Executive (Cabinet)

# BRAUNSTONE HALL

NORTH



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PLAN No. Cttee 176  
DATE .....11/08/2010.....

NOT TO SCALE

LYNN CAVE, DIRECTOR OF STRATEGIC ASSET MANAGEMENT  
LEICESTER CITY COUNCIL

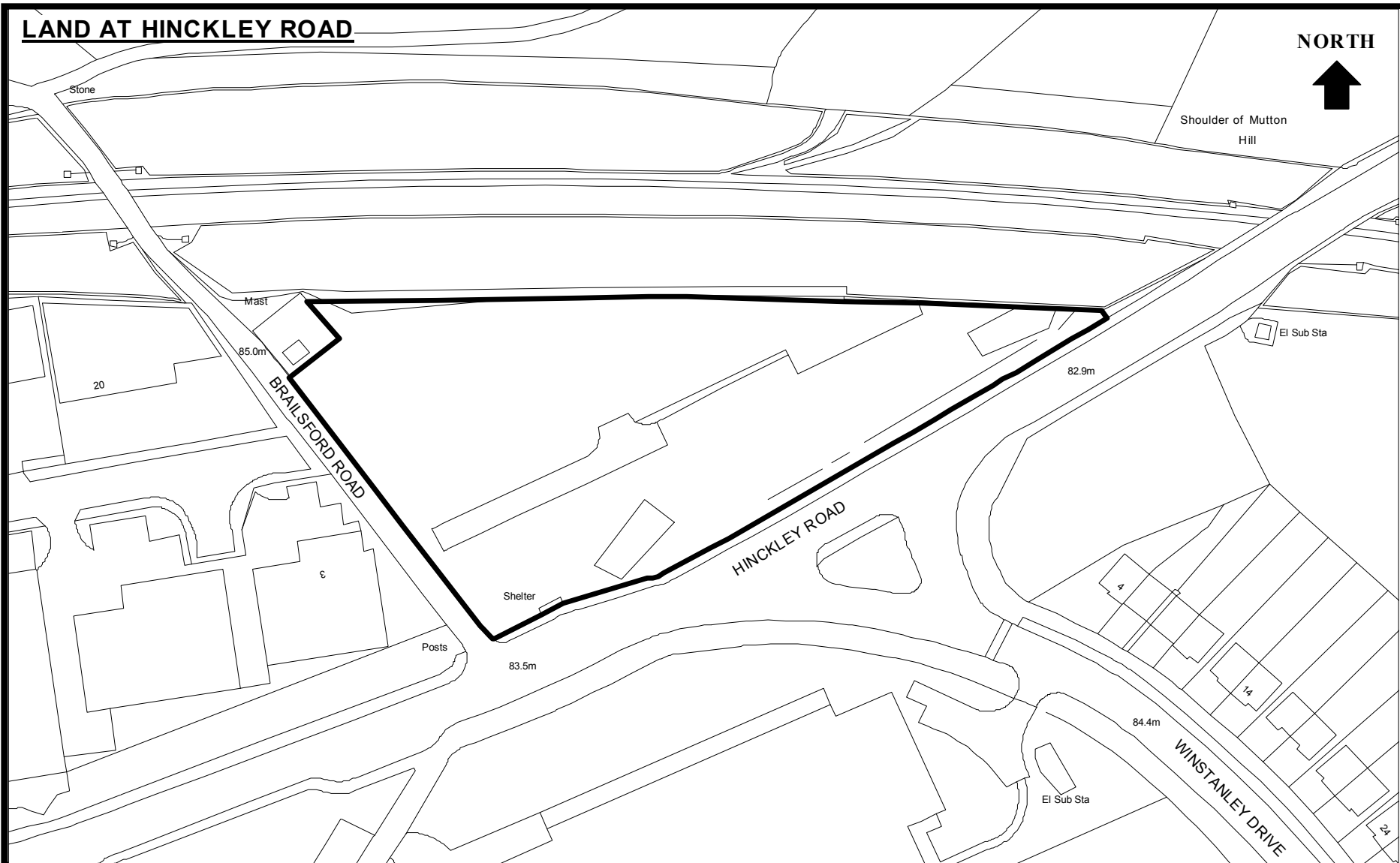


**LAND AT HINCKLEY ROAD**

**NORTH**



Shoulder of Mutton Hill



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