

City Mayor Decision Report

Lease of King Richard III Visitor Centre

Decision to be taken by: City Mayor
Decision to be taken on: 26th June 2014
Lead director: Mark Lloyd



City Mayor

Useful information

- Ward(s) affected: Castle
- Report author: Neil Gamble
- Author contact details: 37 2104
- Report version number: 011

1. Summary

- 1.1 This report outlines terms agreed for the King Richard III Visitor Centre Trust to take a lease of the Visitor Centre.

2. Recommendations

- 2.1 It is recommended that approval be given to the lease of the Visitor Centre to the King Richard III Visitor Centre Trust on the terms set out in the report.

3. Supporting information

- 3.1 The Council purchased the Alderman Newton School building in November 2012 for the purpose of developing a King Richard III Visitor Centre and works are nearing completion with a view to opening to the public in Summer 2014.
- 3.2 A Trust has been established to run the attraction and this report outlines terms agreed for their occupation of the property. The agreed terms are as follows.
- 3.3 The property:
- 3.3.1 As identified edged black on the attached plan including all fixtures, fittings, furniture and interpretative displays/equipment.
- 3.4 Lease term:
- 3.4.1 30 year lease commencing on early date to be agreed.
- 3.5 Rent:
- 3.5.1 Peppercorn annual rental.
- 3.6 User:
- 3.6.1 To be restricted to visitor centre and ancillary uses.
- 3.7 Repairs and maintenance:
- 3.7.1 The Trust to be responsible for all repairs and outgoings. The Trust to enter into a full life cycle Facilities Management contract covering the building and

mechanical and electrical installations to ensure that the property retains its quality and meets compliance requirements. The Council will assign the benefit of any warranties from the building contractor where possible and will retain responsibility for any latent defects.

3.8 Buildings insurance:

3.8.1 The Council to provide buildings insurance, at its own expense. The trust to provide all other necessary insurances.

3.9 Rates, services and other outgoings:

3.9.1 To be the responsibility of the Trust.

3.10 Alienation:

3.10.1 No assignment of the lease to be allowed and any sub lettings to be only with the consent of the Council.

3.11 Operating agreement:

3.11.1 A separate operating agreement will sit alongside the lease with lease termination linked to Trust failure to meet the requirements of the operating agreement.

3.12.1 The transfer of the freehold interest to the Trust was considered but lease preferred as it enables greater control of use through the allied operating agreement, maintenance of the building and enhanced ability to recover the building should the Trust get into difficulty.

4. Details of Scrutiny

4.1.1 None.

5. Financial, legal and other implications

5.1 Financial implications

5.1.1 The Council has committed to invest in the purchase and development of the visitor centre. This investment is key to maximising the longer term economic and regeneration opportunities for Leicester arising from the discovery of King Richard III.

5.1.2 A leasehold transfer at a peppercorn rent to the new Trust established to operate the visitor centre is recommended as the preferred way forward. The Trust will, however, meet all buildings related costs, with the exception of insurance. By not having to pay more than a peppercorn rent, the Trust will be able to use more of its income to establish an operating reserve and can then reinvest remaining surpluses into the further on-going development of the centre. This is considered to be in the longer term best interests of the Trust, the visitor centre and the city. A peppercorn rent and the provision of buildings insurance at the Council's expense are also important to protect the Council's recovery of VAT on the purchase and development costs.

Colin Sharpe, Head of Finance, ext. 37 4081

5.2 Legal implications

5.2.1 The legal Implications are contained in the attached annex. These legal implications are confidential as they contain exempt information as defined in Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

John McIvor, Legal Services, ext. 37 1409

5.3 Climate Change and Carbon Reduction implications

5.3.1 The Council will not have direct control over carbon dioxide emissions that result from building operation because the building will be leased to the Trust. However, the possibility of including requirements on energy use in the operating agreement should be investigated. The Facilities management contract will ensure that heating, lighting and other energy using services are adequately maintained.

Mark Jeffcote, Environment Team, ext 37 2251

5.4 Equalities Implications

5.4.1 There are no equality implications from the grant of lease although there are some indirect equalities issues from the operating agreement ensuring inclusive access to the centre as well as to the information and displays presented within.

Irene Kszyk, Corporate Equalities Lead, ext 37 4147

5.5 Other Implications

5.5.1 None.

6. Background information and other papers:

None

7. Summary of appendices:

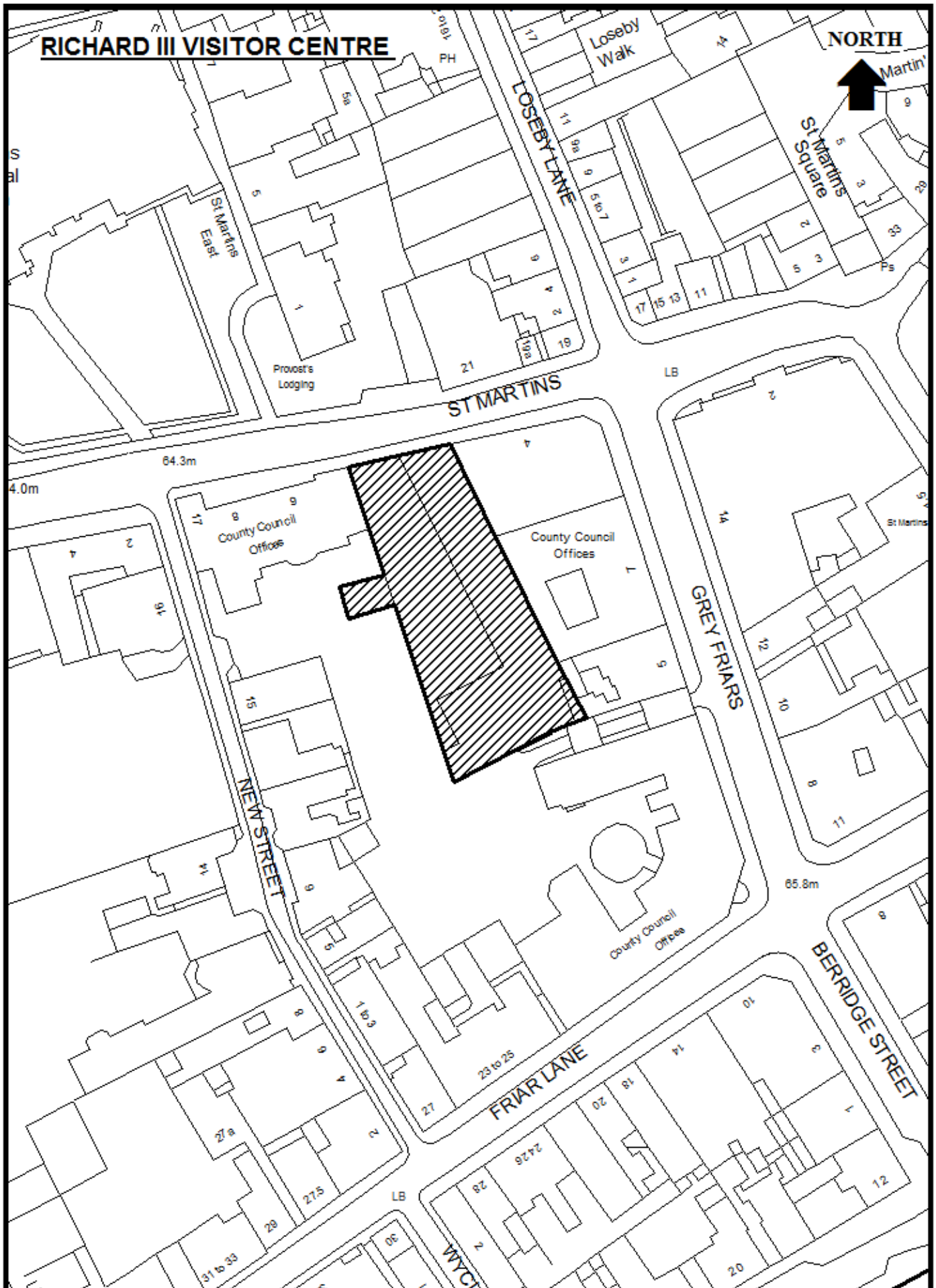
Appendix 1 – Plan

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

No

9. Is this a “key decision”?

No



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NOT TO SCALE
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LEICESTER CITY COUNCIL