

Hambleton District Council

Report To: Cabinet

Date: 7 June 2022

Subject: **Bedale Hall long-term lease**

Portfolio Holder: Economic Development and Finance
Councillor P R Wilkinson

Wards Affected: Bedale

1.0 Purpose and Background

- 1.1 This report seeks approval for the existing long-term lease of Bedale Hall to be surrendered and a new lease granted to Bedale Hall Charitable Incorporated Organisation (CIO).
- 1.2 Bedale Hall is currently leased to Bedale Town Council and Aiskew Parish Council. Both Councils have collectively established Bedale Hall Charitable Incorporated Organisation (an independent charitable trust) to take over the future management of Bedale Hall on behalf of both councils. The creation of the Bedale Hall Charitable Incorporated Organisation necessitates a transfer of the existing lease from Bedale Town Council and Aiskew Parish Council to the new Bedale Hall Charitable Incorporated Organisation. In this context, there are two options available to the District Council. It could choose to assign the existing lease to Bedale Hall Charitable Incorporated Organisation, or it could agree to the existing lease being surrendered and a new lease being granted.
- 1.3 During discussions between the Town Council, the Parish Council and the District Council it was recognised that the existing lease would benefit from being redrafted in order to provide greater certainty in relation to maintenance responsibilities, and to more clearly establish the current condition of Bedale Hall. In order to achieve this the suggested approach is for the Town and the Parish Councils to surrender the existing Lease, and for the District Council to grant a new lease to the Bedale Hall Charitable Incorporated Organisation on broadly the same terms, but with greater clarity concerning maintenance responsibilities and the condition of the building. This is the Charitable Incorporated Organisation's preferred approach, and the District Council agrees that it would achieve the desired outcome.
- 1.4 In addition, Bedale Hall Park (including the playing fields) is subject to a separate lease to Bedale Town Council only. Bedale Hall Charitable Incorporated Organisation has also requested that part of the playing field currently leased to Bedale Town Council, is also transferred to the Charitable Incorporated Organisation for use as a temporary overflow car park for Bedale Hall users, as and when required. Bedale Town Council has agreed to surrender that part of the playing fields in favour of the Charitable Incorporated Organisation.

- 1.5 It is therefore proposed that the District Council accepts the surrender of the lease of Bedale Hall in its entirety, that it accepts the surrender of part of the playing fields land from Bedale Town Council, and that it grants a new lease covering both areas to Bedale Hall Charitable Incorporated Organisation for the same term as that remaining in the current lease of Bedale Hall, namely 965 years from 2022. Save for the amendments referred to above, in all other respects the lease will remain the same. Bedale Town Council, Aiskew Parish Council and Bedale Charitable Incorporated Organisation have agreed to these proposals.
- 1.6 The granting of a new lease will continue to give the local community responsibility for the day-to-day management of the asset, thus alleviating any requirement for District Council intervention.
- 1.7 A recent valuation of the property considered that, given the high running costs of a building such as Bedale Hall, and the relatively limited scope to obtain an income, any operator of the building is not going to be able to make a surplus from the running of the building that would enable them to pay a rent to the Council. This is particularly the case when the restrictions applied by the terms of the lease are taken into account. It is therefore appropriate to agree to a revised lease, on the same basis as currently applies of a rental of a peppercorn per annum.

2.0 Link to Council Priorities

- 2.1 Granting of a new lease to give the local community responsibility for the day-to-day management of this asset links to the Council's Providing a Special Place to Live priority.

3.0 Risk Assessment

- 3.1 The key risk in not approving the lease of Bedale Hall is shown below:

Risk	Implication	Gross Prob	Gross Imp	Gross Total	Preventative action	Net Prob	Net Imp	Net Total
Bedale Hall lease not fit for purpose	Ongoing challenges with management responsibilities in relation to the building	4	3	12	An updated, fit for purpose lease will mitigate the risk	1	2	2

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

4.0 Financial Implications

- 4.1 There are no significant financial implications with this report, with resources for the transfers already allocated.

5.0 Legal Implications

- 5.1 The legal implications associated with the leasing of Bedale Hall are:

5.1.1 In accordance with Section 123 of the Local Government Act 1972 a principal council may dispose of land held by them in any manner they wish, subject to the following provisions:

- (a) Except with the consent of the Secretary of State, a council shall not dispose of land, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.
- (b) A principal council may not dispose under subsection (a) above of any land consisting or forming part of an open space unless before disposing of the land they cause notice of their intention to do so, specifying the land in question, to be advertised in two consecutive weeks in a newspaper circulating in the area in which the land is situated, and consider any objections to the proposed disposal which may be made to them.

5.1.2 Although the Council cannot transfer land for less than best consideration unless the Secretary of State consents, it is recognised that there may be situations where a local authority considers it desirable to dispose of an asset at less than best consideration, for example, to secure the promotion or improvement of the economic, social or environmental well-being of the local authority's area.

5.1.3 In consequence, 'Circular 06/03 of the Local Government Act 1972 – General Disposal Consent (England) 2003' provides the Secretary of State's general consent to disposals in such circumstances, provided the value of the disposal is less than £2 million and other considerations are taken into account, for example, there is a robust and consistent decision-making process.

5.1.4 Should the District Council agree to the surrender of part of the playing fields land from Bedale Town Council, and to its inclusion in the new lease to the Charitable Incorporated Organisation, then appropriate restrictions to secure its retention as open space will be included in the new lease (i.e. the District Council will ensure that the relevant restrictions on use set out in the original transfer to the District Council's predecessor in title are included in the lease to the Charitable Incorporated Organisation). The lease will also require the Charitable Incorporated Organisation to obtain necessary approvals and consents should it wish to change the use of the land in the future

5.2 Prior to the granting of the new lease the Council will need to satisfy itself that the disposal is compliant with the new UK Subsidy Control regime.

6.0 Equality/Diversity Issues

6.1 Equality and diversity issues have been considered, however there are no issues associated with this report.

7.0 Recommendations

7.1 That Cabinet approves that:

- (1) the Council accepts the surrender of the existing Bedale Hall lease from Bedale Town Council and Aiskew Parish Council;
- (2) the Council accepts the surrender of part of the lease for the adjoining playing fields from Bedale Town Council;
- (3) the Council grants a new lease to Bedale Charitable Incorporated Organisation for Bedale Hall and the additional playing fields land for a peppercorn rent, together with the appropriate restrictions set out in paragraph 5.1.4 of this report;
- (4) the intention to dispose of the playing fields land is advertised as described in paragraph 5.1.1 (b) of the report; and
- (5) subject to the Director of Leisure and Communities satisfactorily resolving any issues arising from the advertisement(s) and satisfying himself that the disposal is Subsidy Control Compliant, that the responsibilities for transferring the assets identified within the report are delegated to the Director of Leisure & Communities.

Steven Lister
Director of Leisure and Communities

Background papers:

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