

MUNICIPAL YEAR 2006/2007 REPORT NO. **141**

**MEETING TITLE AND DATE:**

**Cabinet - 1 November 2006  
Council: 8 November 2006**

**REPORT OF:**

Director of Finance & Corporate Resources

**Agenda – Part: 1**

**Item: 7**

**Subject: Broomfield House**

**Wards: Southgate Green**

**Cabinet Member consulted:**

Cllrs Mike Rye and Michael Lavender

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**1. EXECUTIVE SUMMARY**

This report updates Members on the Lands Tribunal application for consent to modify the restrictive covenants at Broomfield House and seeks approval to the capital funding for the refurbishment proposals.

**2. RECOMMENDATIONS**

Members are asked:

- 2.1 To approve the user profile for the house and associated holdings as defined in section 4.
- 2.2 To approve the inclusion of £6m within the Council's capital programme to fund a refurbishment scheme for the house as set out in section 6;
- 2.3 To note and approve that the above are subject to obtaining the necessary consents to modify the covenants thereby allowing the end user proposals.
- 2.4 To note that further work is being undertaken to validate the business plan prepared by external consultants and that additional information will be available at the Cabinet meeting.

**3. BACKGROUND**

- 3.1 Members have received a series of reports on future options for Broomfield House which included the decision to seek an application to the Lands Tribunal for approval to a modification of the covenant, thereby allowing some commercial activity in a restored building in order to ensure the security of the future.
- 3.2 The Council's primary aim is to ensure that a refurbishment is undertaken that provides for maximum public access to the immediate exterior and interior of the building, uses to include community facilities and any refurbishment to be compatible with its park setting. This resulted in a planning application for conversion of the house, including provision for the uses set out below in section 4. These user proposals were also designed to ensure that, if sufficient capital funding were identified to achieve the restoration, the ongoing support for the building could then be maintained over its' lifetime.

#### **4. THE FINAL USER PROPOSALS**

##### **4.1 The House**

Museum, cultural, training and educational facilities, visitors' shop, meeting and function rooms, kitchen, cafeteria and a conservatory annexe for functions of up to 150 people.

##### **4.2 Stable Block and Park Lodge Houses**

To sell the freehold with the benefit of planning and listed building consent (yet to be obtained). The development opportunity to convert the stable block into a minimum of 2 residences and sale of the 4 Park Lodge Cottages with vacant possession. The receipts will be ring-fenced to the redevelopment of Broomfield House.

#### **5. LANDS TRIBUNAL**

- 5.1 The user proposals that are essential to provide a significant part of the funding for the refurbishment and ongoing support of Broomfield House can only be implemented following the modification of restrictive covenants.
- 5.2 The Lands Tribunal is being asked to agree a modification of the covenant and the hearing has been set and is due to commence on 20 November 2006.

#### **6. CAPITAL FUNDING FOR THE REFURBISHMENT**

- 6.1 The cost of the scheme to restore the house, (excluding the mural) and build the annexe and car park etc is estimated to be £5.5m plus, fit-out, archaeological recording and traffic management. The total cost is expected to be in the region of £6m. It is proposed to fund the refurbishment, in part,

from the disposal of the Park Lodge cottages and stable block (6 residential units) with the balance being found from external donations and the Council's asset disposals programme.

- 6.2 Vacant possession of the Park Lodge cottages (as a precursor to a sale) is to be achieved by a combination of grants to vacate and equity share arrangements, full details of which will be reported to a subsequent Cabinet meeting when terms have been finalised. To date, 2 of the 4 properties are now vacant. The remaining 2 occupants have shown a willingness to relocate and are to sign a principle heads of terms agreement to vacate within the next month.
- 6.3 The Council will also seek, subject to satisfactory conclusion of the restrictive covenant issue, grant funding from English Heritage/The Heritage Lottery Fund to cover the costs of restoring and reinstating the Lanscroom Mural within the refurbished house. The current estimated cost is £800k; there is no provision in the capital cost shown above for this restoration work. The Lanscroom Mural does not have to be reinstated by the time the house is re-opened and the house could continue to operate while the mural is reinstated.

## **7. A SUSTAINABLE REVENUE PLAN**

- 7.1 The Council engaged external consultants to produce a revenue plan for the building possibly to be operated by a charitable trust (yet to be established) with an experienced franchisee operating the café and a panel of external caterers providing for functions such as wedding receptions. However, in the light of the Council's recent experience of trusts failing, it is now proposed that the Council may operate Broomfield House in a similar way to Forty Hall. It is also envisaged that the Council will endeavour to make reasonable use of the venue itself through its' ongoing commitment to the education and training of its' staff. This initiative should assist the Council in maintaining a revenue neutral position using funds, which would otherwise be expended on venues outside of the Council's ownership. An update on the Revenue Plan will be provided to the Cabinet meeting.

## **8. PROGRAMME TIMETABLE**

- 8.1 Assuming the Lands Tribunal reaches a favourable decision by the end of February 2007, the programme attached as Appendix 1 estimates construction commencing in October 2008 and occupation at the end of 2009.

## **9. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES AND OTHER DEPARTMENTS**

### Financial Implications

- 9.1 The report proposes the restoration of Broomfield House, at an estimated cost of £6m. It is recommended that the project be funded from external donations and the Council's asset disposal programme including, as previously agreed by Members, the proceeds from the disposal of the stable block and cottages (net of associated costs, including grants to vacate). This will require the project to be added to the approved capital programme as a high priority, in advance of decisions on the medium term financial plan to be taken in February 2007. Full Council will be asked to approve this proposal at its' meeting on 8 November. As noted in paragraph 6.1 above, this decision will be subject to the Lands Tribunal agreeing the modifications to the covenants.
- 9.2 Work has been undertaken by external consultants to produce a Bbusiness plan which will secure the long-term future of Broomfield House. An assessment has been made of the income which could be generated from the commercial facilities and services offered at the refurbished building, including the potential for the building also to be used by the Council for training and conferences, as an alternative to hiring external facilities.
- 9.3 Further work is needed to validate both the building management and operating costs and the income projections; this work is being finalised as a matter of urgency and a further report will be made to Members at the Cabinet meeting. In addition, Members should note that the Council will in any event need to provide:
- initial revenue funding to promote and market the building, including some staffing costs prior to opening the facilities.
  - Some level of revenue support during the initial period of operation as the commercial activities become established. The consultants' projections indicate this could be in the region of £100k in the first year (likely to be 2010/11) though further work is needed to verify this figure.

These costs will be included in the review of the Council's medium term financial plan that is currently underway.

### Legal Implications

- 9.4 Members should note that the use of the house, stable block and cottages that involves trade, or business, or non-municipal residential use is subject to the Council's case to the Lands Tribunal for modification of the existing restrictive covenant on the statutory grounds under section 84 of the Law of Property Act 1925, which is yet to be determined.

9.5 The Council is under a statutory duty to realise the best consideration reasonably obtainable on the disposal of the sale of Park Lodge houses and the stable block.

## **10. PUTTING ENFIELD FIRST**

The restoration of the historic features at the house, stables and park landscape will provide community benefit in accordance with the priorities of Future Enfield:

- the project aims accord with key decision priorities.
- Improve the look and feel of the local environment.
- To enhance the quality of the open space provision.

To improve support for communities; the educational, heritage and community uses of the house will provide learning for all, access to the house will be inclusive. Completion of the overall project will contribute to the community and cultural strategies and quality of life in Enfield.

### **Background Papers**

None

Design & Construction Programme



