



LEAD MEMBER FOR RESOURCES

DECISIONS to be made by the Lead Member for Resources,
Councillor Nick Bennett

**TUESDAY, 10 DECEMBER 2019 AT 11.30 AM ++ OR AT THE CONCLUSION OF CABINET
WHICHEVER IS THE LATER ++**

CC1 - COUNTY HALL, LEWES

AGENDA

- 1 Decisions made by the Lead Cabinet Member on 15 October 2019 (*Pages 3 - 4*)
- 2 Disclosure of Interests
Disclosure by all Members present of personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct
- 3 Urgent items
Notification of any items which the Lead Member considers urgent and proposes to take at the appropriate part of the agenda.
- 4 The Charter Centre, Bexhill (*Pages 5 - 6*)
Report by the Chief Operating Officer
- 5 Any other items previously notified under agenda item 3

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2 December 2019

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LEAD MEMBER FOR RESOURCES

DECISIONS made by the Lead Member for Resources, Councillor Nick Bennett, on 15 October 2019 at County Hall, Lewes

18 DECISIONS MADE BY THE LEAD CABINET MEMBER ON 20 SEPTEMBER 2019

18.1 The Lead Member approved as a correct record the minutes of the meeting held on 20 September 2019.

19 REPORTS

19.1 Reports referred to in the minutes below are contained in the minute book.

20 ORE COMMUNITY LIBRARY

20.1 The Lead Member considered a report by the Director of Communities, Economy and Transport.

DECISIONS

20.2 The Lead Member RESOLVED to (1) approve the granting of a full repairing and insuring lease to Ore Community Library Group (OCLG) on a peppercorn rent for a three year period, in order to operate a Community Library in the former Ore Library building; and

(2) delegate authority to the Chief Operating Officer in consultation with the Director of Communities, Economy and Transport to agree the terms of the lease.

Reasons

20.3 Granting a three year peppercorn lease to OCLG to operate a Community Library in the former Ore Library building would represent a potential loss of rental income to the County Council of £18,000 over the three year period. Granting the lease instead of an immediate sale of the site would also defer a capital receipt of around £130,000. However, the option would remain for the County Council at the end of the lease period to sell the freehold or to consider an alternative use of the site, including a community asset transfer. It is recommended that both parties fully recognise that beyond three years alternate building provision may be required for the Community Library, with the County Council having no obligation to provide or fund the same and to be able to deal with its asset without compromise or call on funds.

20.4 The Ore Community Library proposal would provide social value to the community in Ore and is judged by the evaluation panel to be viable. Granting a short-term peppercorn lease is in line with the Cabinet decision of 6 March 2018.

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Report to: Lead Member for Resources

Date of meeting: 10 December 2019

By: Chief Operating Officer

Title: The Charter Centre, Bexhill

Purpose: To seek Lead Member approval to grant a new 20-year lease (sub-lease) to SCDA

RECOMMENDATIONS

The Lead Member for Resources is recommended to:

- 1) Agree the implementation of a new 20 year lease to replace the existing agreement Tenancy at Will and any associated legal documentation associated with enabling this rental; and***
 - 2) Agree to delegate authority to the Chief Operating Officer to approve the details of the new lease (sub-lease) and associated Deed of Variation***
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1 Background

1.1 In 2018, The Sussex Community Development Association's (SCDA) contract for offering Adult Social Care at the Charter Centre was terminated by East Sussex County Council (ESCC) following a consultation into the closure of several facilities across the County. The group remained in occupation of the property under the provision of a Tenancy at Will.

1.2 SCDA expressed an interest in occupying the property for a longer-term basis to facilitate a community offer for the people of Bexhill. While initial discussions suggested the required term would be approximately 5 years, SCDA requested a longer period of 20 years so that they may obtain external funding and attract external interest for longer periods.

1.3 ESCC discussed the principle of surrendering their interest on this leasehold asset however, ESCC's landlord Optivo were unwilling to agree a surrender of the 71-year unexpired lease term, requesting instead that ESCC assign their interest. ESCC's preferred route was subletting the property which was permitted under the terms of the lease. Optivo have since approved the principle of the sublease.

1.4 The existing lease between ESCC and Optivo would require a minor amendment to allow the use clause to be widened for SCDA's expanded remit.

2 Supporting information

2.1 After liaising with Optivo and SCDA, a proposal was developed. This involved obtaining a Deed of Variation that widened the use clause so that it would not be restricted to "*not to use the property or any part of it except for any use to warden care accommodation and day centre ('use allowed') nor to allow anyone else to do so*". Then subsequently a sublease could then be issued for a 20-year period with break clauses every 5 years allowing SCDA to occupy the property for their intended purpose.

2.2 The new sublease would be dated from early 2020 allowing for Orbis Legal Services to fully engage with the sub-tenant's legal advisors and draft the documentation based on the outline Heads of Terms.

2.3 As explained before, Optivo as ESCC's Landlord have not expressed objections to the proposal.

2.4 Financial Impact: The decision to close the service in 2018 came with the issue that ESCC had 71 years unexpired term at the Charter Centre. ESCC remain legally responsible for

the payment of all associated costs with our occupation of the unit. SCDA are willing to take on the space and the responsibility of these payments until the expiry of the sub-lease. We will contract with SCDA to indemnify ESCC against all on-going costs such as service charge and non-domestic rates.

2.5 The agreement will look to reduce ESCC's on-going liability but also offers the opportunity to take the property back (at five year intervals) should day care be required in this locality.

3. Conclusion and reasons for recommendations

3.1 It is recommended that the Lead Member agrees for ESCC to approve a Deed of Variation for the existing lease and grant a new 20-year lease from 2020, subject to appropriate further due diligence, in order that SCDA may take over the financial obligations of the property and indemnify ESCC fully against all property cost while delivering a community provision.

3.2 It is recommended that the Lead Member agrees to delegate authority to the Chief Operating Officer to approve the details of the new 20-year sub-lease.

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Chief Operating Officer

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