

Report to: Lead Member for Resources

Date of meeting: 20 October 2020

By: Chief Operating Officer

Title: Sackville House, Lewes – Ground and part of Second Floor

Purpose: To seek Lead Member approval to grant two new 10-year leases to the NHS Sussex Partnership NHS Foundation Trust

RECOMMENDATIONS

The Lead Member for Resources is recommended to:

- 1) Agree the implementation of two new 10-year leases to the Sussex Partnership NHS Foundation Trust and any 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 leases and Licence for Alterations**
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1 Background

1.1 Following the vacation of East Sussex County Council (ESCC) personnel from Sackville House in Lewes, ESCC has sought a suitable tenant to take on the parts of the vacant premise. While ESCC have identified new tenants who have taken various leases for parts of the property, we have been actively marketing the South section of the Ground Floor and the South part of the Second Floor following the vacation of a previous tenant.

1.2 With the Ground Floor unrented space requiring significant investment to bring up to date, the Sussex Partnership NHS Foundation Trust have agreed to invest heavily in the property to modernise the demised premises in order to replace their former rented offices in Lewes. Both the Ground and Second Floor space will be updated for the NHS's back-office provision.

1.3 The Sussex Partnership NHS Foundation Trust are proposing to take two separate leases of the two different floors within the building. This will afford them the opportunity to activate the proposed five-year break clause option on one section without vacating their whole interest if required. Both proposed leases are for a term of 10 years with a (break option at year 5).

1.4 The leases are required to be approved as a delegated authority may only be used to approve agreements where the annual rental does not exceed £25,000 per annum. Both the leases exceed that amount and therefore the permission for both is sought from this Lead Member for Resources report.

1.5 Further exempt information is contained in a later agenda item which should be considered alongside this report.

2 Supporting information

2.1 The decision required relates to whether ESCC may rent the vacant sections on the Ground and Second Floor for to the Sussex Partnership NHS Foundation Trust. Not only will the group pay rent but also make a service charge contribution between the two leases. The NHS will also be responsible for all outgoings relating to non-domestic rates for the parking spaces and occupied premise. Both leases will be included s.24 – 28 of the Landlord and Tenant Act and as such the tenant will have a statutory right to renew each lease at the end of the term. ESCC would only be able to oppose the renewal lease on any of the grounds set out in section 30(1) of

the Landlord and Tenant Act 1954. This includes where the tenant persistently fails to pay the rent or fails to keep the property in repair or where the landlord proposes to demolish and reconstruct the property or occupy the property themselves. This is proposed to be acceptable due to the level of expenditure that the group will be committing to the property.

The approval would look to delegate authority to the Chief Operating Officer to sign off the final agreements.

Lease Summary:

The Sussex Partnership NHS Foundation Trust Tenancy at Sackville House, Lewes –Lease 1:
Space on the Ground floor - The demised space totals at 337.9 m² (3,638 sq.ft).

The lease includes the use of 13 parking spaces which are rated separately.

The Sussex Partnership NHS Foundation Trust Tenancy at Sackville House, Lewes –Lease 2:
Space on the second floor- The demised space totals at 187.49 sq. m (2,018 sq. ft.)

The lease includes the use of 7 parking spaces.

Both leases will require the tenant to make contribution to the service charge.

3. Conclusion and reasons for recommendations

3.1 It is recommended that the Lead Member agrees for ESCC to approve the proposed leases and associated legal documentation to secure the two new 10-year leases in order that the NHS may be charged a commercial rent and associated service charge percentage.

3.2 It is recommended that the Lead Member agrees to delegate authority to the Chief Operating Officer to approve the details of the two new 10-year leases and associated legal documentation.

Kevin Foster
Chief Operating Officer

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LOCAL MEMBER: Councillor Philip Daniel

BACKGROUND DOCUMENTS: None