

Appendix B is NOT FOR PUBLICATION
By virtue of paragraph 3 of Part I of Schedule 12A
of the Local Government Act 1972

<p>Mr Hunt, Cabinet Member for Finance and Resources</p>	<p>Ref No: FR19 18.19</p>
<p>February 2019</p>	<p>Key Decision: Yes</p>
<p>Surplus Declaration and Sub-Lease of the property known as Glenvue Day Centre, Railway Approach, East Grinstead, East Grinstead, West Sussex, RH19 1BS</p>	<p>Part I: Report Part II: Appendix B for Members Only</p>
<p>Report by Executive Director Economy, Infrastructure and Environment</p>	<p>Electoral Division: East Grinstead South and Ashurst Wood</p>
<p>Summary</p> <p>This report seeks approval by the Cabinet Member for Finance and Resources that Glenvue Day Centre, Railway Approach, East Grinstead, East Grinstead, West Sussex, RH19 1BS be declared surplus to service operational requirements and approval of the Cabinet Member for Finance and Resources to enter into a sub under-lease of the premises with Age UK East Grinstead.</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>The County Council’s Future West Sussex Plan set outs its ambition to minimise the burden of local taxation, delivering the best outcomes for residents with the money it spends, whilst living within its means. In 2018 the County Council agreed to adopt an Asset Management Policy and Strategy. An objective of the strategy is to acquire, manage, maintain and dispose of property effectively, efficiently and sustainably, together with optimising financial return and commercial opportunities.</p> <p>In 2018 the County Council agreed the Choices for Future Strategy which included the relocation of adult day care services from Glenvue day centre. The County Council now proposes to lease the Glenvue day centre to Age UK East Grinstead.</p>	
<p>Financial Impact</p> <p>The County Council will receive four lump sum rental payments for the sub under-lease of the property, once lump sum every 5 years in advance of the 20 year lease term.</p>	
<p>Recommendations:</p> <p>That the Cabinet Member endorses:</p> <ol style="list-style-type: none"> 1) The decision that the County Council declares Glenvue Day Centre, Railway Approach, East Grinstead, East Grinstead, West Sussex, RH19 1BS, surplus to service operational requirements and that; 	

- 2) the County Council enters into a sub-lease of Glenvue Day Centre, Railway Approach, East Grinstead, East Grinstead, West Sussex, RH19 1BS, with AgeUK East Grinstead and that;
- 3) authority is delegated to the Executive Director of Economy, Infrastructure and Environment in consultation with the Director of Law and Assurance to conclude the terms of the lease with AgeUK.

PROPOSAL

1. Background and Context

- 1.1 GlenVue Day Centre is held by WSCC on a 125 year sub lease dated 26th August 2005 from Downland Housing Association, now known as Clarion Homes. Clarion in turn hold a head lease of the premises from Mid Sussex District Council. The property will shortly be vacated by the County Councils Adult In House Social Care service as per a decision made by the Cabinet Member for Adults and Health in October 2018 (Ref [AH8 -18-19](#))
- 1.2 As part of the consultation prior to this decision, Age UK East Grinstead (Age UK EG) were identified as a potentially interested party in sub-leasing the property from the County Council. The advantage of engaging with Age UK EG, being their proposal to continue to run a community facility for the benefit of the elderly population of East Grinstead.

2. Proposal Details

- 2.1 The details of the proposal to lease the property to Age UK EG are as outlined in Appendix B Part II (for Members only).
- 2.2 The proposal remains subject to:
 - i) Contract and legal due diligence
 - ii) Compliance with the sublease and the headlease
- 2.4 It is proposed that the Cabinet Member for Finance and Resources agrees to this transaction being concluded by delegated authority to the Executive Director Economy, Infrastructure and Environment in conjunction with the Director of Law and Assurance.

FACTORS TAKEN INTO ACCOUNT

3. Consultation

- 3.1 The Member for Southwater (acting as advisor to the Cabinet Member for Finance and Resources), the Cabinet Member for Adults and Health and the local Member for East Grinstead South and Ashurst Wood have been consulted.

4. Financial (revenue and capital) and Resource Implications

4.1 Age UK East Grinstead will pay a rent for a 20 year sub under-lease interest of the property, payable by four instalments spread through the term of the lease a payment being made every five years of the term.

4.2 Revenue consequences of proposal

Savings in security and other ongoing holding costs associated with vacant property will be achieved. The lease rent will be considered as deferred income through the term of the lease, which spreads the income equally across the revenue budget in each financial year.

The financial information for this report is contained within the Part II document as it is commercially sensitive.

4.3 Capital consequences of proposal

None, though risk that the landlord may require WSCC to carry out some repairs prior to subletting.

5. Legal Implications

5.1 WSCC will lease the property to Age UK East Grinstead on terms set out in Appendix B (part II)

6. Risk Assessment Implications and Mitigations

	Risk	Mitigating Action
1	The lease does not proceed for whatever reason and the property needs to be re-marketed resulting in a loss of opportunity for the community.	A deadline of the 31.3.19 to conclude the lease will be given to the lessee. Should the lease to Age UK EG not proceed, WSCC will offer the property to the market in accordance with the restrictive use clauses.

7. Other Options Considered (and Reasons for not proposing)

7.1 Other options considered included WSCC marketing the site to achieve a market rental in line with valuation advice commissioned, however due to a restrictive user clause, the unusual size and layout of the property and the opportunity presented through negotiation with Age UK EG, this was not taken forward. Age UK EG are being considered a special purchaser due to the considerable social and community benefits that they would continue to provide to the community of East Grinstead through this lease arrangement.

8. Equality and Human Rights Assessment

- 8.1 The Equality Assessment does not need to be addressed as this is a report dealing with an internal procedural matter only. The Equality Assessment for the [Choices for the Future](#) decision addressed the relocation of the services from GlenVue.

9. Social Value and Sustainability Assessment

- 9.1 The proposal will bring social and economic benefits by ensuring that specialist provision for the elderly population of East Grinstead is provided in the town centre.

10. Crime and Disorder Reduction Assessment

- 10.1 Not applicable

Contact Officers:

Elaine Sanders, Acting Head of Assets, 033 022 25605

APPENDIX A – Site Plan of GlenVue, East Grinstead.

APPENDIX B – Details of Lease Proposal. Part II For Members Only