

Appendix B is NOT FOR PUBLICATION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

Mr Hunt, Cabinet Member for Finance and Resources	Ref No: FR03 (19/20)
May 2019	Key Decision: Yes
Review of Property Holdings: Lease of the property known as Unit 2 (being 2A, 2B and 2C), The Martlets, Burgess Hill, West Sussex, RH15 9NN	Part I: Report Part II: Appendix B for Members Only
Report by Executive Director of Place Services	Electoral Division: Burgess Hill East
<p>Summary</p> <p>This report seeks approval by the Cabinet Member for Finance and Resources to enter into a lease of library premises in Burgess Hill and surrender the lease of the building currently housing the library.</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.</p> <p>The Burgess Hill Growth Deal, signed by the Leaders of the County Council and MSDC, highlights the significance of Burgess Hill as a key growth location in West Sussex. The redevelopment of Burgess Hill Town Centre is a priority in the Growth Deal. Securing the delivery of the project, including the re-location of the library, has been prioritised by the Burgess Hill Development Board, which includes the Leaders of WSCC and MSDC.</p>	
<p>Financial Impact</p> <p>WSCC will pay an annual rent reviewable every five years upwards only to New River Retail under the terms of the new lease equivalent to that currently paid to Mid Sussex District Council under the terms of the existing library lease until 19.11.2022. After 19.11.2022 the rent under the existing lease was due to reduce whereas the rent under the new lease will remain at same level subject to an upwards review every five years. There will be one year rent free period from the start of the new lease.</p>	
<p>Recommendations:</p> <p>That the Cabinet Member endorses:</p> <ol style="list-style-type: none"> 1) The decision that the County Council enters into an agreement for a new full repairing and insuring lease arrangement, with New River Retail, at an equivalent annual rent to the current lease without the planned rent decrease which was due under the existing lease in 2022, but otherwise on 	

comparable terms to the existing lease for a new location for the library in Burgess Hill at Unit 2 (being 2A, 2B and 2C), The Martlets, Burgess Hill, West Sussex, RH15 9NN;

- 2) That the County Council enters into an agreement to surrender the existing lease with Mid Sussex District Council of the existing library location at the Burgess Hill Library, The Martlets, Burgess Hill, West Sussex, RH15 9NN simultaneously with the grant of the new lease; and that
- 3) authority is delegated to the Executive Director of Place Services in consultation with the Director of Law and Assurance to conclude the terms of the lease with New River Retail.

PROPOSAL

1. Background and Context

- 1.1 The [Burgess Hill Growth Deal](#), signed by the Leaders of the County Council and Mid Sussex District Council (MSDC) in March 2019, highlights the significance of Burgess Hill as a key growth location in West Sussex. The redevelopment of Burgess Hill Town Centre is a priority in the Growth Deal. Securing the delivery of the project, including the re-location of the library, has been prioritised by the Burgess Hill Development Board, which includes the Leaders of WSCC and MSDC.
- 1.2 New River Retail (NRR) secured planning consent in March 2016 for the redevelopment of the Martlets Shopping Centre which will require the demolition of existing commercial units, including Martlets Hall and the current library building as well as the existing multi-storey car park. The new proposal will provide a cinema, a hotel, much needed homes, an enhanced range of retail units, new restaurant and leisure provisions, in addition to a new location for the library and improved public realm. Total investment by NRR will exceed £65m.
- 1.3 MSDC is the freeholder of the area to be redeveloped. To facilitate the redevelopment MSDC will enter a head lease with NRR for a period of 250 years. Within the terms of the head lease the County Council will lease the library from NRR.
- 1.4 The lease for the current library runs until 18 November 2072 (53 years remaining). The term of the new lease will be the same.
- 1.5 In October 2017 the Cabinet Member for Finance and Resources made a decision ([FR08 17/18](#)) to enter into a lease for a new library location and a temporary location while the new library building was constructed. Since this decision was made the plans for the relocation of the new library have changed and there is now no requirement to enter into a lease for a temporary location. This Key Decision therefore amends that original decision to reflect these changes.

2. Proposal Details

- 2.1 The town centre redevelopment works will require the library to move to a new site within the redevelopment. The new location is within a two minute walk from the existing library location and is centrally located and accessible for library users.
- 2.2 An agreement to lease and a proposed lease will identify the terms of the lease for the new library location.
- 2.3 The proposal remains subject to contract and legal due diligence.
- 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 of Place Services in conjunction with the Director of Law and Assurance.

FACTORS TAKEN INTO ACCOUNT

3. Consultation

- 3.1 The Cabinet Member for Safer, Stronger Communities and the local Members for Burgess Hill have been consulted as part of this process.

4. Financial (revenue and capital) and Resource Implications

- 4.1 The rent payment proposed for the new library building mirrors the rent currently paid under the current lease until 19 November 2022 but after that date the annual rent proposed for the new lease is higher than the rent due under the existing lease. The annual rental payment is included within existing County Council budgets albeit there will be one year rent free period during the first year of the lease

4.2 Revenue consequences of proposal

- 4.2.1 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.

5. Legal Implications

- 5.1 WSCC will take a sublease of the property from New River Retail. MSDC is the freeholder of the area to be redeveloped. To facilitate the redevelopment MSDC will enter a head lease with NRR for a period of 250 years. Within the terms of the head lease the County Council will sublease the library site from NRR.

6. Risk Assessment Implications and Mitigations

	Risk	Mitigating Action
1	There is a risk that the development of Burgess Hill town centre doesn't progress.	WSCC is party to the Growth Board overseeing development in Burgess Hill as a key priority. If the proposal does not go ahead WSCC has a lease on the existing library for a further 53 years.
2	If the County Council does not agree these new arrangements there will be a risk that the development of Burgess Hill Town Centre will be delayed.	This risk is mitigated by ensuring that the proposed arrangements have been fully worked through with NRR to offer a satisfactory deal for the County Council.

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

- 7.1 It had been originally expected the service would move to a completely new purpose built library at a different location in the new build area of the Martlets but this offer was withdrawn. The premises previously indicated as a temporary location while the purpose-built library was built will now be the permanent location for the library. These premises have undergone a significant refurbishment to accommodate the library

8. Equality and Human Rights Assessment

- 8.1 An Equality Assessment has not been undertaken as this is a report dealing with an internal procedural matter only.

9. Social Value and Sustainability Assessment

- 9.1 The proposal will bring social and community benefits as the library provides a well-established service to all in the local community.

10. Crime and Disorder Reduction Assessment

- 10.1 Not applicable

Contact Officers:

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Appendix A: Site Plan of new Library location in the Martlets, Burgess Hill

Appendix B: Financial details: PART II for members only.