

**Agenda Item No:**

**Report No:**

**Report Title:** Proposed extension of the Sussex Downs College site at Denton Island, Newhaven

**Report To:** Cabinet

**Date:** 18 July 2007

**Lead Councillor:** Councillor A C De Vecchi

**Ward(s) Affected:** Newhaven

**Report By:** District Solicitor

**Contact Officer(s):** Mark Reynard

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**Purpose of Report:**

To advise members of Sussex Downs College's proposal for an extension of its building onto land between its existing premises and the NCDA building on Denton Island.

**Officers Recommendation(s):**

- 1 To authorise officers to enter into negotiations with Sussex Downs College for a building agreement, lease and deed of variation.
  - 2 To authorise officers to enter into negotiations with NCDA for a deed of variation in respect of NCDA's rights.
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**Reasons for Recommendations**

- 1 The proposed extension would:
  - 1.1 assist the further expansion of Sussex Downs College
  - 1.2 strengthen the regeneration of Newhaven and Denton Island and
  - 1.3 secure additional income for the Council.

**Background**

- 2 Sussex Downs College is proposing to build an extension on the land between its existing premises and the NCDA building ("the Proposed Building Land"). The freehold is owned by the Council.
- 3 The attached plan shows the Proposed Building Land edged in black and hatched. The land currently leased to the College is shown edged black and marked "A". The land leased to NCDA is shown edged black and marked "B".
- 4 Part of the Proposed Building Land is leased to NCDA. In addition, NCDA has a right of access over the remainder of the land.

## **Regeneration of Newhaven and Denton Island**

- 5 The expansion of the College's activities is to be welcomed in principle. It would help the regeneration of Newhaven by addressing the recognised local priority needs for education and skills development in the area.
- 6 The proposal would further strengthen the regeneration of Denton Island as an integrated focus for business, skills and social development.

### **Legal framework and heads of terms**

- 7 A building agreement is probably the right way forward. This might proceed on the basis of:
  - 7.1 an agreement for lease
  - 7.2 the College being let into possession before completion of the lease, to carry out building works for which detailed planning permission has been granted
  - 7.3 no rent being payable during the build period
  - 7.4 the building agreement not being assignable and
  - 7.5 the lease being substantially the same as the principal lease, with the exception of rent.
- 8 A lease of the Proposed Building Land would be granted on satisfactory completion of the building works.
- 9 The College currently uses part of the Proposed Building Land to gain access to the rear of its premises. The College's existing lease may have to be amended by Deed of Variation to include an alternative right of access to the College site.
- 10 NCDA would have to surrender its rights over the Proposed Building Land by entering into a Deed of Variation.
- 11 Detailed heads of terms would be needed for the following matters.
  - 11.1 The precise extent of Proposed Building Land and the land over which alternative rights of access may be needed.
  - 11.2 Whether any additional rights are needed by the College, for example new parking and easements for conducting media
  - 11.3 Whether the planning application should be approved by the Council as landowner prior to submission.
  - 11.4 The amount of rent payable for the new lease and any discount in the initial stages.
  - 11.5 The amount of compensation payable to NCDA, and whether the College should reimburse this expenditure.

**11.6** Whether the College will be liable for the Council's and NCDA's legal fees and disbursements.

**11.7** Timescales.

### **Financial Appraisal**

- 12** The grant of additional land and access rights in favour of Sussex Downs College requires a valuation report. The transaction must be for best consideration unless the Council exercises its well-being powers.
- 13** NCDA will want payment for the surrender of its rights. It is likely that NCDA will seek a reduction in rent for a specified period of time. This also requires a valuation report.

### **Environmental Implications**

- 14** I have completed the Environmental Implications Questionnaire and there are no significant effects as a result of these recommendations.

### **Risk Management Implications**

- 15** I have completed the Risk Management questionnaire and this report does not require a risk assessment because the changes/issues covered by the recommendations are not significant in terms of risk.

### **Conclusion**

- 16** The College's proposal is in its early stages. Detailed "heads of terms" will be required if the project is to move forward. This report seeks authority to commence negotiations with the College and NCDA. If authority is given the officers will discuss detailed terms and report back to Cabinet on progress.

### **Background Papers**

- 17** The following background documents have been used in the preparation of this report:

**17.1** NCDA lease dated 15<sup>th</sup> November 2004.

**17.2** South Downs College lease dated 10<sup>th</sup> May 2000.

### **Appendices**

- 18** Plan.