

## HEADS OF TERMS FOR SALTDEAN LIDO AGREEMENT FOR LEASE

In no particular order the Agreement will need to cover the following issues:

1. Funding is a key issue and the bid to HLF should be a joint bid with BHCC. There will need to be a proviso in the Agreement in the event of a second HLF bid having to be made. Further information about the requirements of HLF bid and another other potential funding opportunities should be clearly set out. The principle of a joint bid to HLF is agreed. Also necessary to refer to the s106 money. Re: Business Case requirements and the Approved Scheme sign off, CIC will produce its funding matrix demonstrating potential other sources of funding but the matrix will be illustrative and not prescriptive and reflects the position as of today. The BC and matrix will be continually updated during the lead in process to the AfL going unconditional. Whilst the Agreement will be conditional (inter alia) on sufficient funding being available to carry out entire scheme, it should also contain a mechanism giving the parties an opportunity to consider together the potential for a phased scheme if 100% funding is not available on day 1 and alternative funding options.
2. Other conditions to be satisfied before the Agreement goes unconditional include. the Council securing vacant possession of the site, (Vacant Possession Condition), grant of satisfactory planning & listed building consent (the Planning Condition), the arrangements with Wave (Initial Leisure Condition), expiration of any challenge periods, sign off of the parking proposals (Parking Condition), satisfaction of any necessary other consents (including any need to satisfy s123 Local Government Act 1972), building contract to be in an agreed form (Building Contract Condition), and, depending on what is proposed, agreement from the pub lessee re the playbarn. The position regarding the availability of a premises licence will need to be clarified.
3. Requirements as to longstop date and timescales generally. 3 years is currently referred to, with time running from date of Agreement, which can be extended by agreement. A programme will be produced to give a clear indication of projected satisfaction of the Conditions.
4. Specification of agreed works and changes to the site layout (linked to method statement sign off if agreement required in advance of approval) to be covered by Approved Scheme drafting, with Council acting reasonably re: signing off.
5. A clear process for what consents are needed from the Council as landowner e.g. in relation to the design development process, the making of planning and other applications and the grant of any initial underleases. This should be covered by Approved Scheme drafting. Currently no underleases proposed (apart from the Library Lease) but that may change e.g. it may be necessary to incorporate a leasing structure to maximise tax efficiency.
6. Lease to be granted after practical completion of agreed works (e.g. 10 days after).

## Appendix 1 – Saltdean Lido Heads of Terms

7. Agreement will not be assignable.
8. Any required drafting regarding the Library will need to reflect the preferred bidder's proposal e.g. as to refurbishment or relocation. Once AfL goes unconditional the Library will need to decant and Library Lease will commence following practical completion.
9. Insurance, warranties and indemnities. to be dealt with as part of process of negotiating document.
10. Termination provisions to be linked to the agreed longstop date but also breach. subject to permitted cure periods and termination restricted to unremedied material breaches.
11. Boiler plate drafting e.g. re confidentiality and Freedom of Information Act, VAT, powers and duties of local authority, third parties, disputes, good faith; each party to bear own costs, notices etc.
12. Form of lease and lease back to be annexed.
13. Extent of any Council cash contributions to be clearly set out.

### **DRAFT HEADS OF TERMS FOR SALTDEAN LIDO LEASE**

1. Demised Premises  
Any occupation of the Playbarn area during the building phase may be on a short term lease subject to negotiations with Mitchells & Butlers and the intention of the parties is that it will subsequently be included in a separate lease to SLCIC for a term of years equivalent to that granted by the main Lido lease .
2. Term of 60 years.
3. Tenant's repairing and insurance covenants.
4. Tenant to pay rates and all outgoings (subject to contributions by the Council under the Library Lease.).
5. Insurance and indemnities. Need clarification as to whether Tenant or Landlord insures at T's expense.
6. Alienation provisions: (i) no assignment or underlease of whole within 5 years; (ii) no assignment or underlease of whole after the initial period of 5 years, other than to a CIC, charity, social enterprises and other similar bodies providing community benefits and operating on a not for profit basis with Council consent, such consent not to be unreasonably withheld; (iii) no assignment of part; and (iv) no underlease of part without Council consent, such consent not to be unreasonably withheld.
7. Forfeiture provisions appropriate to 60 year term.

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8. Requirements as to what subsequent works will require Council approval (to be linked to planning and listed building consent triggers).
9. User clause to reflect Agreed Scheme.
10. Peppercorn rent.
11. Boiler plate drafting e.g. powers and duties of local authority, VAT, disputes, notices etc.
12. Sinking fund provisions.

### **DRAFT HEADS OF TERMS FOR LIBRARY LEASEBACK TO BHCC OF SALTDEAN LIBRARY**

1. A term being one day less than the Headlease.
2. Rent of a peppercorn
3. Tenant (BHCC) to pay rates insurance and utilities
4. Tenant to make a service charge contribution of around 15% for repairing and maintenance of the Lido building.