

30 May 2012

This record relates to Agenda Item 4

## **RECORD OF POLICY & RESOURCES COMMITTEE DECISION**

**SUBJECT:** SALTDEAN LIDO

**AUTHOR:** IAN SHURROCK

### **THE DECISION**

- (1) That it be noted that the terms for the surrender of the Lease of Saltdean Lido ("the surrender") are recommended to be agreed as outlined in the Part 2 report, agenda item No 5;
- (2) That it be noted as the surrender does not entail the transfer of a going concern, it is inevitable that, if the terms of the surrender are agreed, the pools and gym part of the Lido would not be immediately open at the start of the summer season; and
- (3) That if the terms of the surrender are agreed, it be agreed that interim management arrangements should be put in place as soon as possible by officers in consultation with the Chair of the Economic Development & Culture Committee.

### **REASON FOR THE DECISION**

Saltdean Lido is a leased facility and therefore the position of the head lessee and council as freehold owner need to be recognised.

Saltdean Lido is a Grade 2\* listed building on the Buildings at Risk Register. Therefore, it is important that the building is maintained to the appropriate standard so that it is removed from the register and operated to its full potential for the benefit of the community.

### **DETAILS OF ANY ALTERNATIVE OPTIONS**

The length of the head lease is a key issue, in that a long lease gives greater security to the lessee and it is difficult for a landlord to be able to secure forfeiture of a 125 year lease through court action. The position is further complicated by the provisions regarding contributions to be made by the SCA.

There are 3 options – (a) seek compliance with the lease, (b) seek a negotiated surrender of the whole lease or part of the lease and (c) seek to take back the lease through forfeiture or compulsory purchase. Further discussion on the complex implications of these options can take place in Part II, but for immediate purposes brief information on these options is set out below.

Officers have been pursuing option (a), as evidenced by service of the notice referred to in paragraph 3.2.1. SSLC have expressed serious concerns about when the site is open and some health and safety issues. The opening hours issue was

addressed by a proposed monitoring regime and all health and safety issues raised have been properly addressed by the council.

Option (b) entails seeking agreement with the lessee on the timing and extent of any surrender. Fragmented management or ownership of the Lido should be avoided and it is not considered appropriate for the council to take back just the pools area or part of the complex. There is clearly scope to seek agreement with the lessee about surrender of the whole lease and the key aspect will be the terms including any compensation provisions.

Option (c) is the last resort. Forfeiture proceedings are notoriously expensive and protracted and the court encourages landlords and tenants to settle their differences by agreement. Compulsory purchase may be a route, but is a local planning authority consideration linked to whether or not Planning Committee agree the service of a section 48 Notice and then whether or not that Notice is complied with. Compulsory purchase would require confirmation by the Secretary of State and he/she would need to be satisfied that proper steps were not being taken to preserve the building. It is likely that a public inquiry would be held.

**Proper Officer:**

Date: 05.06.12

Mark Wall, Head of Democratic Services

**Signed:**



#### **CALL-IN FOR SCRUTINY**

Note: This decision will come into force at the expiry of 5 working days from the date of the meeting at which the decision was taken subject to:

- (i) any requirement for earlier implementation of the decision or,
- (ii) the decision being called in for review by 5 Members from two or more Groups represented on the Council.

