

TOTTON COLLEGE CAMPUS REDEVELOPMENT

1. INTRODUCTION

- 1.1 Totton College is planning a major redevelopment of its premises at Water Lane and Calmore Road, Totton. The primary source of funding for the development will be provided by the Learning and Skills Council (LSC) and equates to approximately £45million. This will be a significant investment in educational facilities for the benefit of the local community.
- 1.2 The College is looking to the Council to enable its proposed development and indeed, requires the Council's consent to change its current leasehold interests to enable development to proceed as a major part of the new development is proposed for land that the Council currently leases as a car park for Totton Health & Leisure Centre.
- 1.3 The College have expressed their desire to work with the Council with a view to proceeding with their plans to secure much needed capital investment in the educational facilities at Totton whilst at the same time recognising the importance of safeguarding the Council's interests including the future of its Health & Leisure Centre.
- 1.4 The College have put forward a proposal to the Council and the purpose of this report is to:
 - explain what that proposal is and to ascertain Members' views on it.
 - seek Members' approval to restructure the Council's landholding interests to enable the Totton College Campus Development project to proceed
 - seeks Members' approval to accept the transfer of the College Hall.
- 1.5 Due to the complexities of the land holdings on the site, information is also provided as to the current structure of property interests.

2. CURRENT STRUCTURE OF PROPERTY INTERESTS

- 2.1 Totton College occupies the College premises at the junction of Water Lane and Calmore Road, Totton. The Totton Health & Leisure Centre and the Colleges Sports Hall / Refectory are located adjacent to the College premises in Water Lane. All of the College and Health & Leisure Centre site (the "Site") is shown on Plan 1 (at Appendix 1) and currently includes:
 - the College buildings, playing fields and parking areas
 - the Health & Leisure Centre and adjacent Sports Hall
 - the Water Lane car park
 - Tottonians RFC Clubhouse and rugby pitch

- 2.2 The current ownership of the site is a fragmented mix of freehold and long leasehold interests with cross parking rights and rights of way. In estate management terms the current structure lacks cohesion and provides little flexibility.
- # 2.3 The legal ownership of the Site is complex. This can be summarised as follows:
- The College owns the freehold of all the College premises
 - The College owns the freehold reversion of the Sports Hall
 - The County Council owns the freehold reversion in the Water Lane car park and the Health & Leisure Centre
 - The District Council has the benefit of a lease of the Health & Leisure Centre and the Water Lane car park as shown on Plan 2 (Appendix 1) from Hampshire County Council for a term of 99 years from 23 October 1989
 - The District Council has the benefit of a lease of the Sports Hall (also shown on Plan 2 (Appendix 1) from Totton College for a term of 62 years from 23 October 1995
 - The College has the exclusive right to use 23 car parking spaces in the Water Lane car park and the right to share the use of the remaining spaces in the car park
 - The College have the right to share the use of the car park at the front of the Sports Hall
 - The College have a right of way over the access ways at the Recreation Centre and at the car park
 - The College has the right to use the sports facilities on the Site operated by the District Council

3. THE COLLEGE PROPOSAL

- 3.1 Officers have met with the College on a number of occasions to fully understand their proposals and to safeguard the Council's position as far as is possible should members decide to accept all or part of the College's proposals.
- 3.2 Negotiations have reached the stage where draft Heads of Terms have been produced and a decision needs to be made by members on the acceptability of these. The draft Heads of Terms are annexed at Appendix 2.
- # 3.3 In summary, the College has proposed that, with the co-operation of Hampshire County Council, the existing Leases to the Council will be surrendered and replaced by a single new longer term Lease of 125 years between the College and NFDC at a peppercorn rent comprising the Council's existing landholding plus additional parking and (if required by NFDC) a building currently owned by the College which would be suitable for a major extension to the Centres facilities including an 8-16 gym. The exact area of what is proposed to be transferred to the Council's has yet to be agreed and officers will need to be satisfied that a sufficient area exists to service the Health and Leisure Centre.

- 3.4 It is intended that, in most other respects, the terms of the new Lease will be substantially the same as the current Leases with NFDC continuing to be responsible for:-
- Business rates/outgoings;
 - Repairs;
 - Buildings insurance and public liability insurance.
- 3.5 Discussions are still ongoing as to whether the Council will have the right to assign the premises, subject to the College's consent not to be unreasonably withheld. It will be necessary to reach agreement on this issue and also on the issue of the Council being able to surrender any new lease.
- 3.6 As part of their proposal, the College have offered the Council the existing college hall, which includes a ground floor area used as a refectory and a first floor suite of offices. This represents a significant opportunity for the Council and is discussed further in Section 5 and 6 of this Report.
- 3.7 The capacity for and management of car parking spaces allocated to Centre users has been a major issue for some time, and the college proposal offers an opportunity to regularise the position. Conditional on the Council agreeing to the new lease will be:
- The provision of 110 car parking spaces within the demised area of the Council's lease subject to some shared use by the College.
 - The shared use by the Council of 10 parking spaces on the College land.
 - The provision of 97 car parking spaces for use by the Centre during the construction of the new college buildings.
- 3.8 The College have also confirmed that there will be a Phasing Plan to include:
- Working areas and site access.
 - Temporary car parking arrangements including the number of spaces to be provided and the cost of laying out.
 - The proposed handover of the College Hall. This is currently programmed to take place in 2013 and the Council has made it clear to the College that they may require to develop the proposed facilities well in advance of this date but there is no certainty that this will be achievable.
- 3.9 There will also be an Operational Protocol (governing work methods by their contractor) to minimise any disruption to the Health and Leisure Centre. This is an issue that presents a particular concern to officers as it is clear that, notwithstanding the College's intention to ensure disruption is kept to a minimum, there will be some impact on the running of the Health & Leisure Centre during the building programme, which could last between 3 – 4 years. This is extremely difficult to estimate. Officers believe this could be in the region of £50,000 p.a.

- 3.10 Officers of the Council had asked Totton College for compensation for any disruption but the College confirmed that the LSC would not cover such “blanket” costs. As an alternative, officers have negotiated a position whereby should their contractor not comply with the Operational Protocol, the Council will be able to claim liquidated damages at an amount yet to be agreed. Officers believe this is the best that can be negotiated in the circumstances. This has to be considered in the context of what the College is trying to achieve for the benefit of the community.
- 3.11 It is proposed that there will be a Management Agreement covering much the same matters as the existing Management Agreement, including:-
- Obligations in relation to the provision of recreational facilities;
 - Times/hours of use by Totton College;
 - A contribution from the College towards NFDC’s revenue costs in return for user rights.
 - Shared use of car parking spaces
- 3.12 The College have agreed to make a contribution of £20,000 towards the Council’s external legal costs to-date in the event of the redevelopment scheme not proceeding. The College has also agreed to include the sum of £50,000 to cover the anticipated full external legal costs of the Council in their funding bid to the LSC.
- 3.13 The arrangements for the surrender of the existing Leases, the grant of a new single Lease and the completion of a new Management Agreement are proposed to be covered in a tripartite agreement to be entered into between NFDC, HCC and Totton College. The new arrangements and documentation will not come into effect until Totton College have obtained planning consent for the redevelopment of the College campus and funding approval from the LSC. That will then enable the College to undertake their work, including the works for the benefit of NFDC to the enhanced car park and 8-16 gym (if required). The tripartite agreement is to contain appropriate safeguards for NFDC in relation to the building works and their impact on NFDC’s recreational facility and its use as explained above.
- 3.14 The majority of the Heads of Terms are agreed in principle but there are still a number of outstanding matters that need agreement. The recommendations at the end of this report make provision for senior officers and relevant Portfolio Holders to agree such.

4. TOTTON HEALTH & LEISURE CENTRE

- # 4.1 The Health & Leisure Centre occupies a limited footprint on the Campus, a site plan is included as Appendix 1 (Plan 2).
- 4.2 Development of the facilities has been by shared use of College facilities and internal refurbishment.

- 4.3 Although there are existing plans to build an 8-16 gym extension in 2009/10 there is no other potential for developing the facilities on the existing site, which therefore limits;
- The capacity to expand the service to the local community.
 - The potential to develop the business.
 - The Council's ability to properly meet its statutory obligations.
- 4.4 In addition, the site limitations have created problems around the site infrastructure and public access particularly in respect of car parking and changing accommodation.

5. HEALTH & LEISURE CENTRE PROPOSAL

- 5.1 The proposed plan for the College development includes the provision of car parking and associated landscaping on the site originally allocated for the currently proposed 8-16 gym extension. The implementation of 8-16 scheme in its current form is therefore no longer possible.
- 5.2 The College, as part of proposals, have offered the Council the whole of the College Hall building adjacent to the Centre, part of which is currently used to provide the Community programme. The acquisition of the College hall would provide an exciting opportunity to expand the community facilities on the site and a further opportunity to develop the business potential of the centre.
- 5.3 The offer includes:
- The ground floor which would provide 727m² of usable activity space.
 - The first floor which includes 373m² of office/teaching space.
 - Severance of the building from the new college facilities.
 - Complete stripping out of all fixtures and fittings.
 - Provision of services up to the boundary
- 5.4 The Council would be responsible for the cost of refurbishment, fitting out of the building to meet any approved use and any ongoing liabilities.
- 5.5 Officers within the Property Service Section of the Council are satisfied that the building is structurally sound.
- 5.6 There are clearly a number of options available to the Council in relation to the range of community facilities which could be incorporated into the building and their associated levels of expenditure.
- 5.7 These range from simply retaining the College Hall in its current form to retain the existing level of community facilities on the site, through to a major investment programme to incorporate a new 8-16 gym facility, new fitness studios and improved wet changing facilities as a fully integrated upgrade to the Centre facilities.

- 5.8 As the envisaged build programme for the new College development is unlikely to render the College Hall available until 2012/13, it is probably premature to be considering the nature and mix of facilities to be incorporated in a continually changing leisure market.
- 5.9 Regardless of the future option chosen there will be a minimum level of capital expenditure required to provide heating, power and associated services to the building together with the associated revenue running costs.
- 5.10 Projected for the anticipated time scales, the capital cost of this is estimated to be £100,000 with an ongoing revenue commitment of £40,000.
- 5.11 To redevelop the College Hall and provide a comprehensive range of new facilities, including an 8-16 gym as a fully integrated upgrade to the Health & Leisure Centre has a projected capital cost of £985,000. It is envisaged that the extended range of programmes arising from the new facilities will result in an ongoing annual revenue contribution of £50,000.
- 5.12 There is already a proposal in the existing capital programme to provide 8-16 gym facilities and other building upgrades in the sum of £389,000, which would leave an additional funding requirement of £596,000.
- 5.13 At this stage of the proposed project it is suggested that provision is made for the minimum level of expenditure required to acquire and provide services to the College Hall. This will enable the Council to give further consideration as to the appropriate level of facilities upgrade and investment for the Centre, together with the associated benefits arising for the community.

6. FINANCIAL IMPLICATIONS

6.1 Amendment to Council's existing land holding interests

- 6.1.1 The arrangements for the surrender of the existing leases, the grant of a new single lease and the completion of a new management agreement are estimated to cost up to £50,000 in legal costs.
- 6.1.2 The College have provided £50,000 within their bid to the LSC to cover the anticipated cost to the Council of external legal costs.
- 6.1.3 The College have agreed also to cover the Council's initial external legal costs up to £20,000 should the College's development not progress.

6.2 Potential Future Development of an Enhanced Health & Leisure Facility

- 6.2.1 The possible future development of the Health & Leisure Centre would be considered at the time a detailed proposal is presented. The Council's proposed Financial Strategy has made provision for progress of this potential major project. (Details are set out within the Medium Term Financial Report on this Agenda)

7. ENVIRONMENTAL IMPLICATIONS

- 7.1 The development of the facilities as proposed has the potential to increase the Councils consumption of energy and subsequent CO2 emissions.
- 7.2 However there is a possibility that a scheme for a combined heating and ventilation installation with the College could improve energy efficiency overall.
- 7.3 The outcomes associated with the increased opportunities for activity which will improve the health and well being will certainly make for a more sustainable community.

8. CRIME AND DISORDER IMPLICATIONS

- 8.1 The provision of leisure facilities for young people is known to have a beneficial effect on crime and disorder in the community.

9. EQUALITY AND DIVERSITY IMPLICATIONS

- 9.1 The new facilities will improve access for a wider range of community groups and “special needs groups”.

10. NEW COLLEGE FACILITIES

- 10.1 The College development plans include a new Sports Hall and Dance Studio. This new provision could have major implications for the management of the existing facilities if;
- The College were to reduce its daytime use of the existing Sports Hall and Dance studio.
 - The College were to let the New sports Hall out of College hours to the public on a commercial basis.
- 10.2 Both issues are currently still under discussion but there are strong indications that;
- There will be no reduction in use of the existing facilities by the College.
 - There will be a joint management approach to the new facilities which could provide a commercial opportunity for both parties.

11. PORTFOLIO HOLDER COMMENTS

- 11.1 The Leisure, Culture and Youth Matters Portfolio Holder welcomes this initiative and supports the proposed approach to further enhancing the community facilities in the Totton area.

- 11.2 The Finance and Efficiency Portfolio Holder also supports the proposals in principle and looks forward to reviewing the business case and the various options in due course.

12. CONCLUSIONS

- 12.1 The Council currently manages a Health & Leisure Centre on the Totton College site. The Centre is jointly used and funded by the community and students of Totton College.
- 12.2 Totton College is planning a major redevelopment of its campus and to facilitate this the Council needs to agree to the restructuring of its current landholding interests.
- 12.3 This can be achieved by the Council surrendering its existing Leases and replacing them with a single new longer term Lease largely on existing terms.
- 12.4 In addition to the changes to the landholding interests the College has offered the Council the existing College Hall which potentially represents a major opportunity to develop the Centres facilities and business potential.
- 12.5 There are a number of fundamental issues which require final agreement between the parties prior to any final decision to proceed. These include:
- Exact area of new leased area to the Council
 - Car Parking
 - Phasing of the works
 - Timing of the handover of facilities
 - Contractors working arrangements
 - Liquidated damages
 - Arrangements for use of existing and new facilities
 - Assignment and surrender matters in new lease
- 12.6 Subject to agreement being reached on these issues it is proposed that the Council works in partnership with the College to enable it to develop the College facilities on the Campus.
- 12.7 Likewise it also appears to be in line with the Council's Corporate Aims to work in partnership with the College and to accept the transfer of the College hall.

13. RECOMMENDATIONS

13.1 It is recommended that the Cabinet agree:-

1. To facilitate the College's campus development programme;

2. To the restructuring of the Council's landholding interests as outlined in Section 3 of the Report and to authorise the Head of Legal & Democratic Services to enter into all necessary legal documentation to give effect to this subject to agreement being reached on outstanding matters as per 5. below;
- # 3. To authorise the Head of Legal & Democratic Services to enter into all necessary legal documentation to give effect to the Heads of Term as set out in Appendix 2 of this report subject to agreement being reached on all outstanding matters as per 5. below;
4. To accept the transfer of the College Hall building subject to the Council accepting the financial liability as set out in paragraph 5.10 of Section 5 to this report;
5. To authorise the Executive Director in consultation with the Portfolio Holders for Leisure, Culture and Youth Matters and Finance & Efficiency, the Chief Executive and the Head of Legal and Democratic Services to agree any details of the proposal which at the date of this meeting have not been finalised SUBJECT to there being no further financial implications above those referred to in this Report.

For Further Information Please Contact:

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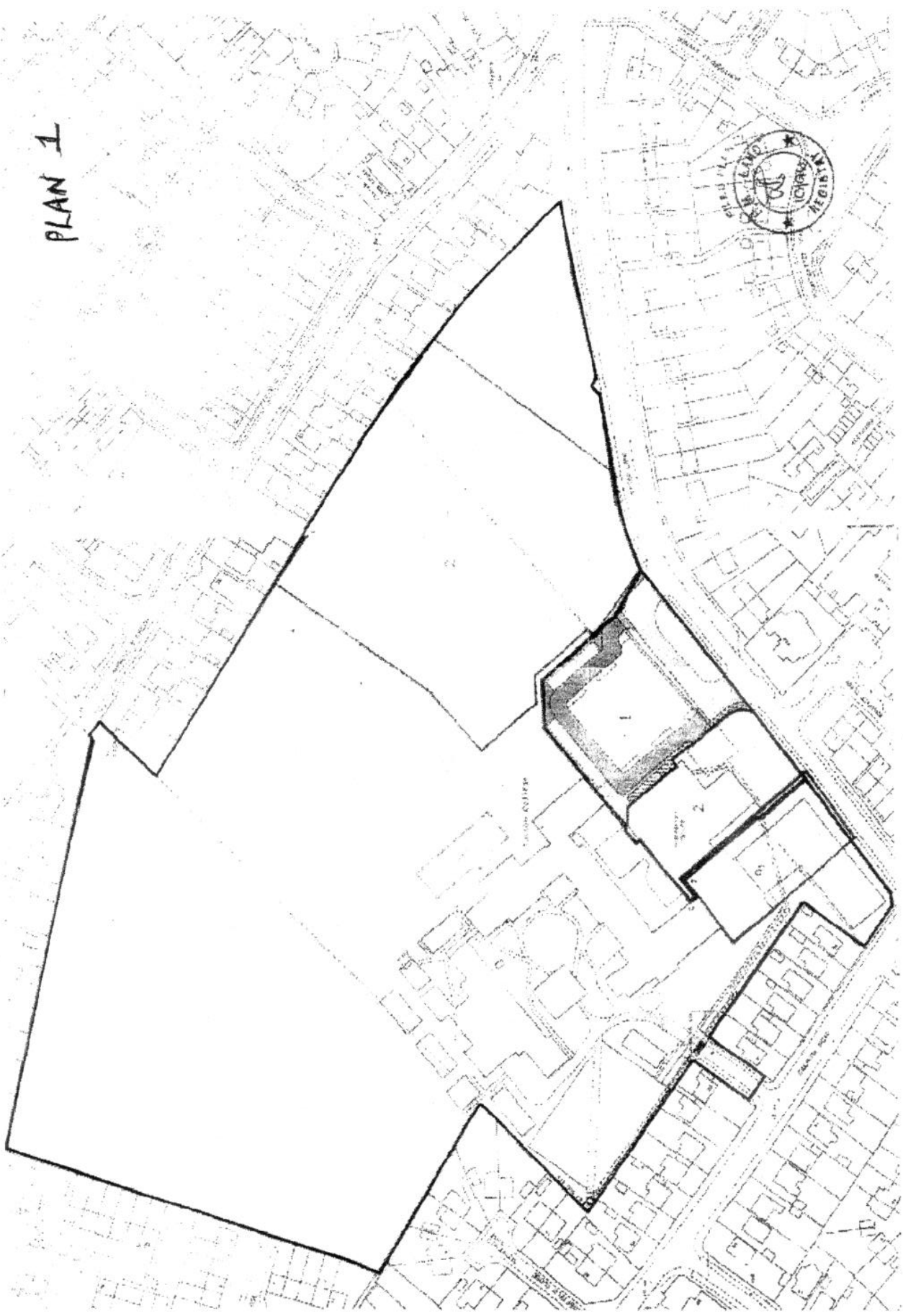
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Background Papers:

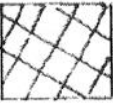
Various Totton College files some of which may contain exempt information


PLAN 1





PLAN 2

 Leased to NFB
52 years
from 23/10/91

 HEC
freehold
- Leased by
HEC to NFB
99 years from
23/10/89

**HEADS OF TERMS
FOR
RELATING TO PROPOSED DEVELOPMENT AGREEMENT
AT TOTTON COLLEGE**

SUBJECT TO CONTRACT

PARTIES

- (1) **TOTTON COLLEGE** of Calmore Road, Totton, Southampton, Hampshire, SO40 3ZX, United Kingdom (the **College**)
- (2) **NEW FOREST DISTRICT COUNCIL** Appletree Court, Lyndhurst, Hampshire, SO43 7PA, United Kingdom (the **Council**)

1 DEFINITIONS

- 1.1 **Agreement:** the agreement to be entered into between the College and the Council in accord with these Heads of Terms
- 1.2 **Campus:** the property currently occupied by the College at Calmore Road, Totton shown edged in red on Plan 1
- 1.3 **Capital Grant Support:** Capital Grant Support provided by the LSC to the College to support the College Development
- 1.4 **College Development:** the proposed redevelopment of the Campus to provide new College buildings and other facilities
- 1.5 **Conditions Precedent:** the conditions set out in clause 3.2
- 1.6 **Demised Premises:** the premises to be included within the New Lease
- 1.7 **Estate:** all the land and buildings at Calmore Road and Water Lane Totton comprising the Campus, the Recreation Centre, the Sports Hall and the Water Lane Car Park shown on the attached plan
- 1.8 **HCC:** Hampshire County Council
- 1.9 **LSC:** Learning and Skills Council
- 1.10 **New Lease:** the lease to be granted by the College to the Council in accordance with clause 6

- 1.11 **Plan 1 and Plan 2:** the plans so numbered and attached to these Heads of Terms
- 1.12 **Recreation Centre:** the Totton Recreation Centre at Water Lane, Totton shown edged green on Plan 1
- 1.13 **Recreation Centre Lease:** a lease dated 17 March 1997 and made between HCC (1) and the Council (2)
- 1.14 **Sports Hall:** the sports hall adjoining the Campus and the Recreation Centre shown edged blue on Plan 1
- 1.15 **Sports Hall Lease:** a lease dated 10 November 1997 and made between the College (1) and the Council (2)
- 1.16 **Water Lane Car Park:** the car park at Water Lane Totton adjoining the Recreation Centre and the Campus shown edged in yellow on Plan 1
- 1.17 **8-16 Gym Building:** the building on the Campus which the Council intends to convert to a 8-16 gym shown hatched brown on the attached plan

2 BACKGROUND

- 2.1 The Council currently occupy the premises at Water Lane, Totton under two leases:
- (1) The Recreation Centre Lease which includes the Recreation Centre and the Water Lane Car Park
 - (2) The Sports Hall Lease which includes the Sports Hall
- 2.2 The College own the freehold to the Sports Hall and HCC own the freehold to the Recreation Centre and the Water Lane Car Park
- 2.3 The College have the right to use a number of the car parking spaces in the Water Lane Car Park and also spaces at the Sports Hall
- 2.4 The College are intending to carry out the College Development and to do so need to alter the parking layout and property interests at the Estate
- 2.5 HCC has agreed to transfer to the College its freehold interest in the Recreation Centre and the Water Lane Car Park

3 CONDITIONAL AGREEMENT

- 3.1 The College and the Council have agreed to enter into an Agreement on the terms set out in these Heads of Terms
- 3.2 The Agreement will be conditional upon:
- (1) Planning permission being granted for the College Development on acceptable terms
 - (2) The LSC agreeing to provide Capital Grant Support to the College to support the College Development
- 3.3 The Agreement will run for the period of [24] months and if the Conditions Precedent are not satisfied by the end of this period the Agreement will come to an end
- 3.4 If the Conditions Precedent are satisfied then the provisions of clauses 5 to 14 will come into force

4 PLANNING

The College will submit and pursue an application for planning permission to carry out the College Development and associated changes to the layout of the parking spaces at the Estate including those which will be within the Demised Premises

5 SURRENDER OF NFDC EXISTING LEASES

If the Conditions Precedent are satisfied the Council will surrender its interests in the Recreation Centre Lease and the Sports Hall Lease to the College. The forms of the deeds of surrender will be attached to the Agreement and provide for the release of liabilities of the Landlord and the Tenant under both Leases

6 GRANT OF NEW LEASE

- 6.1 If the Conditions Precedent are satisfied the College will grant to the Council a new lease of the Recreation Centre, the Sports Hall and 8-16 Gym Building on the terms set out in the Schedule. The form of the New Lease will be attached to the Agreement

- 6.2 The land and buildings to be included in the Demised Premises are shown edged in red on Plan 2 but the boundary may be subject to minor adjustment as a result of the development of the design or consultations on the planning application

7 COMPLETION OF THE SURRENDER AND NEW LEASE

- 7.1 The Council will complete the surrender of its leasehold interests as follows:
- (1) the leasehold interest in the Water Lane Car Park when the Conditions Precedent are satisfied
 - (2) the leasehold interest in the Recreation Centre and the Sports Hall following completion of the College Development and immediately prior to the completion of the New Lease.
- 7.2 The College will grant to the Council the New Lease following completion of the College Development and the surrender of the Council's leasehold interests in the Recreation Centre and the Sports Hall

8 PARKING

- 8.1 The New Lease will include 110 car parking spaces in the locations shown coloured light green on the attached drawing but subject to shared use rights to be set out in the Estate Management Agreement. The spaces which the Council will make available for shared use will be shown on the plans to the Agreement.
- 8.2 The Council will be granted the right share the use of the parking spaces in the College's car park shown coloured dark green on the attached drawing
- 8.3 The Estate Management and Joint User Agreement will set out the times at which the Council can use the shared car parking spaces and the availability of the Council's car parking spaces for College use

9 CONSTRUCTION PHASING AND OCCUPATION OF SITE

- 9.1 The College will agree a Phasing Plan with the Council showing how the College Development will be phased and working areas and site access needed by the College to carry out the Development. The Phasing Plan will include a programme for the Development and show any revised access arrangements.

- 9.2 A draft of an outline Phasing Plan will be attached to the Agreement and this will be revised and supplemented as the design and the construction programme are developed and as required to comply with the requirements of planning, CDM / health and safety plans and any other statutory or regulatory process. Any revisions to the Phasing Plan will be subject to the approval of the Council
- 9.3 The Council will stop using the Water Lane Car Park when this land is required for the College Development in accordance with the programme but the College will make available an equivalent number of replacement car parking spaces at the Campus for use by visitors to the Recreation Centre and Sports Hall so that the Council will always have [90] spaces available for its use.
- 9.4 The proposed location for the temporary car parking will be shown on the Phasing Plan and in more detail on a temporary parking plan. The Phasing Plan will also show how the temporary car parking and access arrangements will move during the development. A draft of the proposed temporary parking plan will be attached to the Agreement. The temporary parking arrangements will be subject to the approval of the Council.
- 9.5 The College will endeavour to revise the current Phasing Plan to bring forward the availability of the 8-16 Gym Building so that this can be handed over to the Council at the earliest opportunity

10 METHOD STATEMENT AND PROTOCOL

- 10.1 The College will agree with the Council a method statement and operational protocol for the carrying out of the College Development to prevent the works having any adverse impact on the normal operation of the Recreation Centre and Sports Hall. An outline of the proposed method statement and operational protocol will be attached to the Agreement and these will be developed with the construction and health and safety documentation
- 10.2 The contractor appointed to carry out the College Development will be required to comply with the agreed method statement and operational protocol and in the event of any breach damages will be payable by the contractor for the benefit of the Council.
- 10.3 The Agreement will include rates of liquidated damages in respect of specific breaches of the method statement and operational protocol where the default interrupts the business of the Recreation Centre and Sports Hall. The rates of Liquidated Damages will be based on reasonable estimate of the Council's loss which would result from such interruptions.

11 LAYING OUT PARKING SPACES

- 11.1 The College will obtain necessary planning permission for the laying out of the new spaces to be provided with Demised Premises
- 11.2 The College will layout the new car parking spaces within the Demised Premises and any associated landscaping as part of the College Development
- 11.3 The College will meet the cost of laying out all the new spaces within the Demised Premises but this cost will be taken into account in determining the level of shared use of the Council's car parking and the rates to be charged to the College under the joint user arrangements.

12 8-16 GYM BUILDING

- 12.1 The New Lease will include the 8-16 Gym Building which is currently used by the College
- 12.2 The College will vacate the 8-16 Gym Building prior to completion of the New Lease
- 12.3 The College will remove any furnishings and equipment from the 8-16 Gym Building and separate from the adjoining building before completion of the New Lease but in all other respects the Council will take the 8-16 Gym Building in its current state and condition
- 12.4 A specification of works will be attached to the Agreement setting out the works to be undertaken by the College in separating the 8-16 Gym Building from the adjoining building on the Campus, capping off the services and removal of equipment.

13 ESTATE MANAGEMENT AGREEMENT

The College and the Council will enter into an estate management agreement which will deal with:

- (1) the co-ordinated management of parking and access across the Estate
- (2) The arrangements for the College's use of the Recreation Centre the Sports Hall and the 8-16 Gym

14 LEGAL COSTS

The College will make a contribution towards the reasonable legal costs incurred by the Council in connection with the Agreement up to a maximum of £50,000. This contribution will be paid when the Conditions Precedent are discharged and the College Development is able to proceed. The College will pay up to £20,000 towards the legal costs of the Council if the Agreement is not entered into or the Conditions Precedent are not discharged unless this is as a result of the Council withdrawing from negotiations or not proceeding with the Agreement in accordance with the agreed terms

Schedule 1

Principal Terms of New Lease

1 TERM OF LEASE

1.1 The term of the New Lease will be 125 years running from the quarter date prior to the date of the lease

2 RENT AND RENT REVIEW

2.1 The rent will be the same as the ground rent under the existing leases exclusive of VAT, rates, insurance premiums and all other outgoings increasing in stages through the term

2.2 The ground rent will not be payable whilst Council makes available the sports and recreational facilities for the benefit of the College in accordance with the joint user arrangements

2.3 In addition to rent, the Tenant must also pay VAT (including any VAT on the rent), rates, insurance premiums and all other outgoings

3 RESERVATION OF RIGHTS

3.1 The College will reserve rights to use the recreation facilities during designated hours in accordance with the terms of the new joint user agreement and the right to use the parking spaces designated for joint use

3.2 The College will have the right to share the use of designated car parking spaces at non peak times

4 INSURANCE

The Tenant will insure the property in the joint names of the Landlord and the Tenant

5 USE

5.1 The property can only be used as a Sports and Recreation Centre and subject to paragraph 5.3 any other use being approved by the College the Demised Premises can also be used for any ancillary and related uses

- 5.2 The Tenant cannot use the Demised Premises for any other use except for the first floor of the 8-16 Gym Building which may be used with the prior approval of the College for non sports and recreational purposes but subject to paragraph 5.3
- 5.3 The Lease will contain a list of the type of use which will not be permitted because they would not be appropriate to premises sharing a site with a college. Subject to this restriction the College will act reasonably in giving approval to any use ancillary or related to the Sports and Recreation Centre, use of the Demised Premises or the use of the first floor of the 8-16 Gym
- 5.4 The Estate Management and Joint User Agreement will supplement the lease and will be entered into by the College and the Council at the same time as the New Lease

6 ASSIGNMENT AND UNDERLEASES

- 6.1 The Tenant may not assign the Demised Premises but they can share possession in accordance with the existing Recreation Centre Lease
- 6.2 The Tenant may not underlet the whole of the property
- 6.3 The Tenant may not underlet any part of the property except for the first floor of the 8-16 Gym Building which may be let on a short term basis and excluded from the 1954 Act. The sub-letting will be subject to the prior approval of the Landlord

7 REPAIR

- 7.1 The lease will be a full repairing lease with the Tenant responsible for keeping the property in good repair and condition
- 7.2 The Tenant is to be responsible for the maintenance of landscaping
- 7.3 The Tenant will be obliged to repair damage caused by an uninsurable risk

8 CONTRIBUTION TOWARDS SHARED FACILITIES

The Tenant will pay a fair proportion based on user towards the cost of repairing and maintaining any shared access, service media or other items used in common by the Landlord and the Tenant

9 ALTERATIONS

The Tenant cannot make any external alterations to the property without the previous consent of the landlord. The Lease will contain provisions allowing the proposed alterations to the 8-16 Gym Building

10 OTHER TERMS

The other terms of the lease will be similar to the terms contained in the existing leases

