



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Council 26 November 2024

Wards affected: Hinckley Castle

Renewal of lease for Rear of Castle Street car park, Hinckley

Report of Director Corporate and Street Scene Services

1. Purpose of report

- 1.1 To seek approval for the renewal of the lease for the Rear of Castle Street Car Park, Hinckley for a further five years.

2. Recommendation

- 2.1 Council approves the renewal of the lease for the Rear of Castle Street Car Park from 1 May 2025 for five years and delegates authority to the Head of Street Scene Services and the Estates and Asset Manager to approve the terms on which the lease is to be agreed.

3. Background to the report

- 3.1 The Council has leased the land to the rear of 46-54 Castle Street for many years and operated it as the Rear of Castle Street pay and display car park. The site provides popular short term car parking in the middle of the prime retail area in Hinckley and has high usage with 30 standard bays and 4 reserved bays. A location plan is provided in appendix 1.
- 3.2 A new 5-year lease has been offered on the same terms with a 1.5% annual rental increase which is in line with an independent rental valuation carried out in 2015.

1 May 2025 – 30 April 2026	£17,722.55
1 May 2026 – 30 April 2027	£17,988.38
1 May 2027 – 30 April 2028	£18,258.21
1 May 2028 – 30 April 2029	£18,532.08
1 May 2029 - 30 April 2030	£18,810.06

- 3.3 The 2024/2025 annual expenditure associated with operating and maintaining this car park is approximately £6,271 which is contained within the maintenance budgets for the Councils car parks. No significant expenditure is envisaged within the next 5 years period.
- 3.4 Income for the last financial year was £38,160 (excluding VAT) and it is assumed this will be maintained in future years.
- 3.5 Assuming income levels remain static, and expenditure levels increase by 3% per year then the estimated operating surplus per year is:

	Surplus	Return on expenditure
1 May 2025 – 30 April 2026	£13,978.64	57.81%
1 May 2026 – 30 April 2027	£13,519.02	54.86%
1 May 2027 – 30 April 2028	£13,049.59	51.97%
1 May 2028 – 30 April 2029	£12,570.13	49.12%
1 May 2029 - 30 April 2030	£12,080.40	46.32%

4. Exemptions in accordance with the Access to Information procedure rules

- 4.1 This report is to be taken in public session.

5. Financial implications [AA]

- 5.1 If lease is approved, the estimated increase will have to be met from existing budgets and future increase will be updated in the annual budget setting.
- 5.2 Budgets for Street scene services are monitored monthly and costs have been covered by current budget and any changes to it have to be approved in line with financial procedure rules.

6. Legal implications [SK]

- 6.1 The Council have negotiated new heads of terms with the registered proprietor. The current lease expired on 30 April 2021, and the Council is currently holding over under the terms of that lease until the new lease is entered into. The new lease term is proposed to begin from 1 May 2025.

Upon instruction Legal shall undertake all necessary due diligence reviews and searches. The term of lease is 5 years, as such the lease is not required to be registered at the Land Registry.

The Council, as tenant, will need to act in compliance with the tenant's obligations under the agreed lease.

7. Corporate Plan implications

- 7.1 Retaining this car park contributes to the Corporate Plan Places objective to enhance our town centres.

8. Consultation

- 8.1 None. The 2023 Car Parks study recommended retaining existing numbers of car parks spaces.

9. Risk implications

- 9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 9.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) risks

Risk description	Mitigating actions	Owner
Failure to renew lease could result in car park being developed or operated by another operator on different terms.	Renewing lease retains this as a car park for use by high street shoppers and businesses	Caroline Roffey

10. Knowing your community – equality and rural implications

- 10.1 The car park allows suitable access to the main Hinckley retail area for the benefit of all residents. At present there are no disabled spaces within this car park as access is limited and adequate provision is made at Church Walk car park, Castle car park and St Marys car park. Any blue badge holders who chose to park in this car park can park free of charge.

11. Climate implications

- 11.1 By renewing the lease the status quo on carbon emissions is maintained and therefore the impact will be neutral. However, by providing car parks we are not promoting the shift to sustainable transport. Given the length of the lease and the capital investment required this site will also be unsuitable for the installation of electric vehicle charge points.

12. Corporate implications

12.1 By submitting this report, the report author has taken the following into account:

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

Background papers: Appendix 1 – location plan

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Executive member: Councillor S Bray

Appendix 1: location plan showing car park off chapel yard (between Castle Street and Stockwell Head Hinckley)

