



RENEWAL OF LEASE FOR CASTLE STREET CAR PARK
REPORT OF DEPUTY CHIEF EXECUTIVE (COMMUNITY DIRECTION)

WARDS AFFECTED: CASTLE

1. PURPOSE OF REPORT

- 1.1 To seek Council approval of the renewal of the lease for the Castle Street Car park for a further five years and delegate authority to the Chief Officer (Environmental Health) and the Estates and Asset Manager to approve the terms on which the lease is to be granted.

2. RECOMMENDATION

- 2.1 That Council approves the renewal of the lease for the Castle Street Car Park from 1 May 2015 for five years and delegate authority to the Chief Officer (Environmental Health) and the Estates and Asset Manager to approve the terms on which the lease is to be granted.

3. BACKGROUND TO THE REPORT

- 3.1 The Council has leased the land to the rear of 46-54 Castle Street as the Rear of Castle Street Car Park providing 23 standard bays and 10 reserved bays for a number of years. The lease is up for renewal and has been offered to the Council for the following sums for a five year period.

£15,072 for the period 1 st May 2015 to 30 th April 2016
£15,524 for the period 1 st May 2016 to 30 th April 2017
£15,989 for the period 1 st May 2017 to 30 th April 2018
£16,469 for the period 1 st May 2018 to 30 th April 2019
£16,963 for the period 1 st May 2019 to 30 th April 2020

- 3.2 The site provides useful short term car parking in the middle of the main shopping street in Hinckley and has high usage. Officers sought to negotiate a shorter term for the lease in recognition of the unknown impact of the Crescent development but the owner has stated a five year lease is required. Income from the site is given below providing a useful income along with provision of car parking in the Town Centre. Costs of maintaining the car park are contained within the maintenance budgets for the Councils car parks. The surface has been re-laid and repainted within the last two years and no significant expenditure is envisaged.

	Income incl VAT
2009 / 10	31,166.27
2010 / 11	29,754.60
2011 / 12	32,287.15
2012 / 13	33,613.80
2013 / 14	31,553.40

4. FINANCIAL IMPLICATIONS []

- 4.1 The lease will be classed as an operational lease. Therefore lease payments will be charged to the General Fund Revenue Account. The 2015/16 approved budget is £15,072. If the lease renewal is approved, budgets for future years will be updated as part of the annual budget setting process.

- 4.2 Members should however note the five year term assumes an annual increase of 3 per cent. This is above the current CPI inflation rate of 0.3 percent and above the historic Treasury's target inflation rate of 2.00 per cent.
- 4.3 Income including VAT for 2014/15 is estimated to be £31,500 which is comparable to 2013/14 but significantly lower than the £33,614 in 2012/13. The impact on the General Fund has however been managed within the existing car parking budget. From November 2015 income levels may reduce depending on the impact of the Crescent Development.
- 4.4 Additional car parking implications arising from the Crescent Development will require approval in accordance with the Councils financial procedure rules.

5. LEGAL IMPLICATIONS [EH]

- 5.1 The current lease is excluded from the provisions of ss24-28 of the Landlord and Tenant Act 1954 and therefore the Council does not have the protection afforded by these sections as regards negotiating a new lease on the same terms as the current lease,

The Council will be required to negotiate and agree new Heads of Terms for a new lease. The terms agreed will be incorporated in a formal lease which will be approved by the Legal Services Manager.

6. CORPORATE PLAN IMPLICATIONS

- 6.1 The provision of adequate car parking contributes to the aim of Creating a Thriving Local Economy through the aim of *To make Hinckley Town Centre a place where people want to live, work, shop and visit, and businesses flourish, by providing a high quality environment and overall experience at all times.*]

7. CONSULTATION

- 7.1 The Asset Management Group has been consulted for their support. The Strategic Leadership Board and the Estates and Asset Manager have recommended approval for the renewal of the lease.

8. RISK IMPLICATIONS

- 8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 8.2 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.
- 8.3 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
Income from the short stay car park may decrease following the opening of the Crescent Development	Review the impact of the Crescent on opening and mitigate any impact through	Caroline Roffey

	re-designation or other appropriate action to maintain income in excess of lease costs.	
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9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 The car park allows suitable access to the centre of the Town shopping area for the benefit of all shoppers. 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.

10. CORPORATE IMPLICATIONS

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

- Community Safety implications- There is CCTV camera coverage of the car park providing reassurance to parkers.
- Environmental implications
- ICT implications
- Asset Management implications- The Estates and Asset Manager has supported approval of the renewal
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: Castle Street Car Park Background Papers

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