

Acquisition of Leasehold Car Park – London Road, Sevenoaks

Portfolio Holder Decision

Report of: Chief Finance Officer

Status: For Portfolio Holder Approval

Key Decision: No

Executive Summary:

This report builds on the direction set in the Sevenoaks District Corporate Plan for the Council to move towards a more financially self-sufficient position, given the background of reducing Government Support.

Further to the Investment Strategy paper approved by Cabinet on 10th April 2014, the approach has been agreed of acquiring property assets in order to deliver increased revenue income.

An opportunity has been negotiated to acquire a leasehold interest in a small car park on London Road, Sevenoaks, for operation as a pay and display car park. Based on actual costs and income of operating the neighbouring Blighs Car Park, it is estimated that the operation of the car park will gain the Council an additional annual revenue profit of approx. [REDACTED].

The Portfolio Holder is requested to endorse the acquisition of the leasehold interest via a Portfolio Holder Decision.

This report supports the Key Aim of providing value for money.

Portfolio Holder: Cllr Ramsay

Contact Officers: Chief Finance Officer – Adrian Rowbotham (Ext. 7153)

Chief Officer Environmental & Operational Services – Richard Wilson (Ext. 7067)

Property & FM Manager – Andrew Robson (Ext. 7209)

Parking Manager – Gary Connor (Ext. 7310)

Recommendation to Portfolio Holder:

Endorse the acquisition of a 15 year leasehold interest of a car park in London Road, Sevenoaks, for operation as a pay and display car park.

Reason for Recommendation:

The acquisition of the leasehold interest in this car park will provide the opportunity for the Council to increase revenue income.

Introduction and Background:

Further to the redevelopment of 66 London Road and the associated London Road Car Park by owners CTCL (BUKP) FUND NOMINEE No. 1 LIMITED & CTCL (BUKP) FUND NOMINEE No.2 LIMITED, (whose assets are managed by Ignis Asset Management) to provide a building for rental by Marks & Spencer Plc, the owners are seeking an organisation to lease the area of land highlighted in orange on plan 1 in the appendix, for operation as a pay and display car park.

As Sevenoaks District Council currently has a long-leasehold interest in the neighbouring Blighs Car Park from the same owner, there is significant synergy in SDC acquiring a 15 year lease interest in this land, to enable operation as a pay and display car park, which will make an operating profit, therefore contributing to revenue income of the Council.

Business Case:

Based on the actual costs and income of operating the existing Blighs Car Park, it is estimated that the 28 pay and display spaces in the new car park would produce a net income (taking account of all operating costs excluding rental for the lease) in the region of [REDACTED] per annum.

Following a verbal negotiation with the owners, it is likely that a rental offer of [REDACTED] per annum would be acceptable to them.

Therefore:	£
Annual Net Income	[REDACTED]
Less	
Annual Rental	[REDACTED]
Annual Revenue Profit	[REDACTED]

The annual rental payment will be subject to a CPI increase, throughout the term of the lease.

Conclusions:

In acknowledgement of ongoing reductions in Government Support, this report sets out an opportunity to acquire a leasehold asset, for operation as a pay and display car park, which will provide an additional revenue stream to the Council.

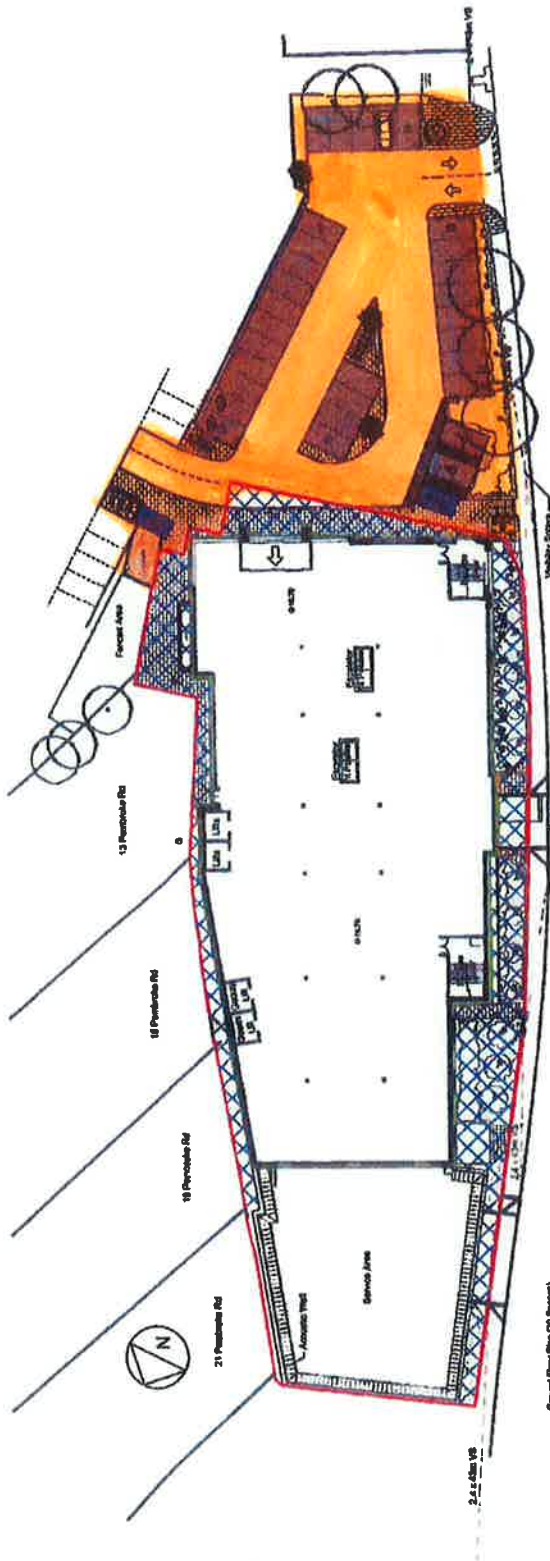
The Portfolio Holder for Finance & Resources is therefore requested to endorse this acquisition by way of a Portfolio Holder Decision.

WCEC ARCHITECTS - DOCUMENTS

FOR RECORD VERSIONS OF THE LEGAL DOCUMENTS REFER TO THIS DRAWING SHEETS IN THIS DRAWING

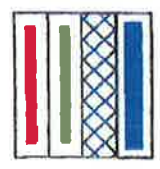
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Legend

- Denotes Demise
- Denotes Building Common Parts
- Trolley Bays



PLAN L2

Previous RFD Revisions (if any exist)

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