CHESHIRE EAST BOROUGH COUNCIL

Cabinet Member for Prosperity and Economic Regeneration

| Date of Meeting: Report of: | 2013 Property Services Manager |
|--------------------------------|--|
| Subject/Title: | Proposed ground lease at Land adjacent to Seabank Car |
| Portfolio Holder: | Park, Middlewich Councillor Peter Raynes (Finance Portfolio Holder) |

1.0 Report Summary

- 1.1 National Grid Gas PLC (National Grid) currently has a Gas Governor situated on land adjacent to Seabank Car Park, Middlewich.
- 1.2 National Grid has no legal agreement in place to allow the use of the Cheshire East Borough Council land.
- 1.3 To formalise the situation, safeguard the Council's position and in the interest of good estate management, it is recommended that the Council grants a lease to National Grid.

2.0 Recommendation

2.1 To enter into a 21 year ground lease with National Grid on terms and conditions agreed by the Property Services Manager and Borough Solicitor.

3.0 Reasons for Recommendation

- 3.1 National Grid has had a Gas Governor situated on land adjacent to Seabank Car Park for a number of years and therefore National Grid could technically claim prescriptive rights. By granting a lease to National Grid, Cheshire East Borough Council can negotiate terms and conditions without losing all rights if the lease wasn't granted.
- 3.2 The Gas Governor is situated to the East of Seabank car park (see attached plan) and not part of the Car Park so it doesn't require a change to the Car park Order.
- 3.3 To formalise the situation, safeguard the Council's position and in the interest of good estate management, it is recommended that the Council grants a lease to National Grid.

4.0 Wards Affected

4.1 Middlewich

5.0 Local Ward Members

5.1 Councillor Paul Edwards

Councillor Simon McGrory

Councillor Michael Parsons

6.0 Policy Implications (including carbon reduction and health)

6.1 N/a

7.0 Financial Implications (authorised by Chief Operating Officer)

7.1 The Council will receive a premium under the Lease of £600 with the rent being a peppercorn rent.

8.0 Legal Implications (authorised by Borough Solicitor)

- 8.1 The Council is obliged to dispose of property at the best possible price under Section 123 of the Local Government Act 1972. No other party except National Grid Gas PLC would wish to acquire this land which has a Gas Governor standing on it. Therefore the disposal is at best consideration.
- 8.2 There is no legal agreement in place in respect of the property and the lease will protect the interest of the Council in the property pursuant to good estate management.

9.0 Risk Management Implications

9.1 The Council will be granting a lease and as such National Grid will be fully responsible for the site. National Grid will also be responsible for removing the Gas Governor at the expiry of the lease (howsoever enacted) and at their own cost.

10.0 Background and Options

10.1 Please see 3.0 Reasons for Recommendations.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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