

DECISION NOTICE

Notice is given that the following decision has been taken under the Provisions set out in the Council's Constitution

Decision maker: Cabinet Member for Regeneration

Date: 9 October 2017

Decision in the matter of: Lease of land at Grosvenor Multistorey Car Park to Cornerstone Telecommunication Infrastructure Limited

Decision: That approval be given for the Council to enter into a new 16 year lease agreement with CTIL (Vodafone and Telefonica joint venture company) at an annual rent of £13,000 plus VAT at the property known as Grosvenor Multistorey Car Park, Macclesfield on terms and conditions to be agreed by the Head of Assets and Director of Legal Services.

Background: The Council is seeking to formalise the telecommunications lease arrangements for aerial masts owned by Vodafone Limited and situated on the rooftop of the Council owned land known as the Grosvenor Multistorey Car Park, Macclesfield. They are subject to a Lease from the Council to Vodafone. The Lease expired in 2008 and Vodafone has requested the grant of a new lease.

CTIL currently has rights pursuant to The Communications Code 2003 which entitle the tenant continuance of occupation of the site and the area occupied is not required for CEC operational purposes. The offer to grant a new lease of the site to CTIL rather than Vodafone presents better terms for the Council and the offer satisfies the requirements of s123 of the Local Government Act 1972.

The Council owns the multi-storey Grosvenor Centre Car Park which houses the Macclesfield Indoor Market and a Council operated Car Park. Located on an external area of the building at roof level is an aerial mast. The area occupied by the mast is subject to a Lease from the Council to Vodafone Limited dated 7 May 1998 which is contracted out of the Landlord and Tenant Act 1954. The passing rent is circa £7,000 per annum.

The lease expired in 2008 and there have been negotiations between the parties to agree terms for a new lease. Vodafone have remained in occupation of the land and continue to pay rent as directed by the

former Lease.

The area housing the aerial masts are not required in connection with the Council's Car Parking Service and is not operational. The land has been leased for over 18 years.

Terms for a new lease have been agreed (subject to contract) that incorporates the provisions contained within the former agreement (as was approved by the Cabinet Member for Finance on 22nd December 2014).

The parties have agreed terms for a new 16 year lease of the site to be granted to Cornerstone Telecommunications Infrastructure Limited ("CTIL") at a rent of £13,000 per annum subject to rent review every 3 years and break options at years 5 and 10 of the term. CTIL is a company created by Vodafone and Telefonica as a joint venture, and Vodafone request that all of its new leases are entered into with CTIL as the tenant.

The terms have been negotiated to reflect current market conditions and have been recommended by the Council's professional advisors and external agents specialising in telecommunications lease renewals to provide assurances with regard to best consideration.

Central Government is consulting on Code Reforms of the Electronic Communications Code. Professional advice indicates that the Reform is likely to result in a reduction in the rental value of telecommunication sites.

Background Documents:

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

Approved:

Signed.....
Councillor Don Stockton (Cabinet Member for Regeneration)

Date:

9th October 2017

Advising Officer:

Signed
Paul Carter (Senior Estates Surveyor)