

Appendices



Item No.

NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title

EDGAR MOBBS WAY CAR PARK

AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:	1 October 2007
Key Decision:	YES
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Governance & Resources
Accountable Cabinet Member:	Cllr M Mildren
Ward(s)	St James

1. Purpose

1.1 To seek authority of Cabinet to this Council acquiring a long leasehold interest In the car park known as "P4" or the South car park at Edgar Mobbs Way.

2. Recommendations

2.1 That Cabinet agrees the principle that this Council should take a long leasehold interest in the land known as South Car Park ("P4") at Edgar Mobbs Way.

2.2. That Cabinet should delegate authority to the Director of Finance to approve the terms of a lease in consultation with the Portfolio Holder for Finance.

2.3 That any financial implications arising should be reflected in the Medium Term Financial Plan.

3. Issues and Choices

3.1 Report Background

3.1.1 In 2004 as part of the wider Brownfield Initiative, land owned by this Council at Harvey Reeves Road was transferred for value to English Partnerships. Some of that land together with other land formerly owned by Northampton Rugby Football Club Limited (NRFC) was subsequently remediated and developed at the cost of English Partnerships to form two surface car parks (known as P3 and P4). The car parks are of very similar size and are able to each accommodate approx. 950 cars. An understanding was reached with English Partnerships (EP), without any contractual force, that the ownerships of the car parks would be subsequently transferred to this Council – subject in the case of Car Park P3 to a 99 year lease to NRFC for parking on match days.

3.1.2 The development of the car parks was completed in 2006 and parking charges machines were installed at EP's cost to a specification agreed with this Council. The installation of the machines was project managed by staff within the Asset Management Department. Negotiations were held between EP's Agents and Gerald Eve Chartered Surveyors on behalf of the Council, about the terms of a freehold transfer to the Council of the land concerned. Agreement could not be reached about the value of the land. This Council has made no capital provision for any re-purchase. EP have subsequently indicated that they would be prepared to grant a long lease of the car parks upon a profit share basis, after taking into account operational costs.

3.1.3 In light of identified business rates liabilities arising from controlling and operating both car parks, a re-assessment of projected income and costs was undertaken. This is necessarily based upon projections of probable use since the car parks have clearly not been operated previously. This review by Town Centre Operations has identified that owning and operating either one or both car parks is likely to result in a revenue loss for the foreseeable future.

3.2 Issue

Notwithstanding a projected revenue loss from this Council controlling and operating one or both car parks, it is considered that there are potentially important possible uses and potential additional income streams that would justify taking control of at least one of the car parks (P4). These include:

- (i) Temporary bus lay over facilities
- (ii) To assist Northamptonshire County Council with Park & Ride Proposals
- (iii) To provide alternative parking facilities for displaced town centre parkers arising from town centre re-development proposals
- (iv) To provide scope for parking for Council staff in the event of any future proposals concerning re-location of more staff to the Town Centre.
- (v) Overflow parking for rail commuters
- (vi) Parking agreements with Northampton Town Football Club and other local companies

In addition, by taking control of one of the car parks this Council would be honouring in part the original intention between EP and the Council in developing the land for this use.

3.3 Choices (options)

3.3.1 The Council could choose to acquire both car parks on either a freehold or leasehold basis. This would result in the Council having, in the case of a freehold purchase, to allocate capital monies to purchase the land – assuming an acceptable valuation could be agreed with English Partnerships (EP). Whether the car parks were acquired upon a freehold or leasehold basis, there would be a projected revenue loss. This loss would be greater if both car parks were to be taken.

3.3.2 The Council could choose, as already discussed with EP, to take a 125 year full repairing and insuring leasehold interest in the land edged red upon the attached plan, upon the basis that no initial premium is paid to EP. The rent payable would be determined by reference to an agreed share (not more than 50%) of any net surplus generated by this Council operating the car park. Such a lease would permit the Council to enter into contract parking arrangements with third parties. Upon this basis there would be no revenue liability due to the landlord until a profit was made from operating the car park. There would though be a projected revenue loss from pursuing this route.

3.3.3 The Council could choose not to take either car park on any basis. This option would avoid potential liabilities, but would also reduce potential scope for future use of the land by either this Council directly and by others that may assist with both income generation and wider corporate objectives. This option may also expose the Council to criticism concerning a change of approach regarding an established understanding with partner organisations.

4. Implications (including Financial Implications)

4.1 Policy

There are none specifically

4.2 Resources and Risk

Projections prepared by Town Centre Operations indicate that there will be an initial operating loss from having control of this one car park ("P4") of £13,500 p.a. This loss would be borne by Town Centre Operations and be recognised in the Medium Term Financial Plan as arising from a corporate objective.

4.3 Legal

Heads of Terms have not yet been agreed for the lease and thus no specific comment can be made at this stage.

4.4 Equality

There are none specifically identified

4.5 Consultees (Internal and External)

Town Centre Operations, Regeneration & Growth, English Partnerships

4.6 How Proposals deliver Priority Outcomes

None specifically at this time but the proposal does allow scope for assisting town centre regeneration initiatives

5. Background Papers

5.1 Asset Management Files FS/42/01 & Report to Management Board dated 5 July 2007

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