


Agenda Item No:	10	
Committee:	CABINET	
Date:	22 March 2021	
Report Title:	Lease of Land to Manea Parish Council	

Cover sheet:

1. Purpose

- To grant to Manea Parish Council a Lease of land at Manea for the provision and management of a car park to serve the Railway Station in Manea.
- It is proposed that FDC grants a lease to Manea Parish Council for a term of 25 years which will enable the car park to be operated for the benefit of local residents and users of the railway station.

2. Key issues

- This Cabinet report seeks to support the ongoing and substantial investment into the Fenland Stations programme by approving the grant of a Lease which will enable the implementation of operational arrangements for Manea Railway Station car park.
- Fenland District Council has purchased land at Manea in order to facilitate the construction of a car park to serve the Railway Station. The funding to acquire the site was provided by the Cambridgeshire & Peterborough Combined Authority (CPCA).
- Following the completion of the acquisition of land in November 2020, Officers have continued to work together with CPCA to develop a car park scheme that will be constructed with funds provided by the CPCA. Tendering of the principal contractor has recently concluded and the car park construction works are due to start imminently.
- It is intended that the operation and management of the completed car park will be undertaken by Manea Parish Council and in order to formalise their involvement, it is proposed to grant a Lease for a term of 25 years at an annual rent of £1.
- The proposed nominal rent reflects the costs of operating and managing the car park, including costs associated with the ongoing repairs and maintenance and capital replacement costs. In addition, there is also a requirement to comply with Planning & Ecological conditions which will be the responsibility of Manea Parish Council. In order to generate sufficient funds to meet these obligations, Manea Parish Council intend to implement car parking charges to recover the costs of their ongoing responsibilities.
- As it is intended to grant a lease at a nominal sum, the proposed grant of the Lease would require the Secretary of State's consent under section 123 of the Local Government Act 1972 as the land is being disposed of for less than the best consideration which can be reasonably obtained. However, there is a

“General Consent” available in specified circumstances where the undervalue is not more than £2m on a parcel of land.

3. Recommendations

- Members are requested to consider the report and confirm whether they wish to approve the grant of a Lease for 25 years at an annual rent of £1 to Manea Parish Council upon the Terms herein proposed.
- Should the proposal be deemed acceptable to Members, it is further requested that approval of the detailed terms of the Lease be delegated to the Corporate Director (Finance) and the Head of Economic Growth & Assets in consultation with the Portfolio Holder for Social Mobility and Heritage, the Portfolio Holder for Economic Growth and the Leader of the Council and Portfolio Holder for Finance.

Wards Affected	Manea
Forward Plan Reference	
Portfolio Holder(s)	Cllr Chris Seaton - Portfolio Holder for Social Mobility and Heritage Cllr Ian Benney – Portfolio Holder for Economic Growth
Report Originator(s)	Justin Wingfield – Head of Economic Growth & Assets
Contact Officer(s)	Paul Medd – Chief Executive Peter Catchpole - Corporate Director (Finance) Justin Wingfield – Head of Economic Growth & Assets
Background Paper(s)	Cabinet 27 June 2019 - Fenland Stations Regeneration Project Board

Report:

1. Background

- 1.1 Fenland District Council (FDC) and its partners have been working with the railway industry, other project partners and the public on a programme to make significant improvements to our local railway stations in Manea, March and Whittlesea. These efforts are known as the 'Fenland Stations Regeneration Programme'.
- 1.2 To date high level masterplans have been produced for each station setting out a range of small, medium and large-scale improvements. In Manea, one of the more substantial projects seeks to provide much needed car parking capacity, where the station is currently without dedicated parking provision. It is anticipated that providing parking at this location will lead to a significant increase in the use of the station, which aims to accommodate growing demand, improved services and meet the needs of local residents.
- 1.3 In November 2020 Fenland District Council (FDC) acquired an area of land at Fodder Fen Road in Manea, adjacent to the Railway Station. The land is shown as edged red on the plan at **Appendix 1**. The purchase was funded through a part of the grant provided by the Cambridgeshire & Peterborough Combined Authority (CPCA) as part of the Fenland Stations Regeneration Programme.
- 1.4 In addition to the acquisition of the land, the CPCA has also provided grant funding within the Fenland Stations Regeneration Programme to fund the construction of a 109 space car park, together with cycle parking a bus turning and waiting area (a copy of the proposed layout plan is attached at **Appendix 2**).
- 1.5 The final element of the project at Manea will be to secure the ongoing management and operation of the car park which it is intended, will be provided by Manea Parish Council.
- 1.6 Manea Parish Council (MPC), who have been project partners to this scheme are intended to become the operators and custodians of the car park by virtue of a proposed Lease agreement between FDC and MPC which is the subject of this Cabinet report.

2. Proposal

- 2.1 FDC Officers have been working with the Clerk to Manea Parish Council to develop and agree 'Heads of Terms' (a copy is annexed to this report at **Appendix 3**). The draft terms will become the basis upon which a formal Lease agreement is to be based and a formal decision to implement these terms will be subject to a formal Decision from both FDC's Cabinet and from Manea Parish Council.
- 2.2 The Heads of Terms propose that FDC grants a Lease to MPC for a term of 25 years at an annual rent of £1. This reflects the requirements of the car park operator to undertake ongoing repairs and maintenance and to ensure the car park continues to meet its obligations, whilst operating safely and effectively. In addition, there are a number of Planning & Ecological conditions of the development which will require that the operator continues undertake works to meet and satisfy these conditions. The conditions include responsibilities to maintain wildlife habitats, planting, cutting and maintenance to the adjoining land surrounding the car park.
- 2.3 In order to fund the cost of operating, repairing and managing the car park and adjoining habitat it is proposed that MPC will introduce and implement a tariff of car park charges, firstly to ensure that they are able to recover the costs they incur and secondly to ensure costs are recovered on a 'user pays' approach, rather than the costs falling to the Parish Council or local residents.

- 2.4 It is intended that the car park will be operated on a 'not for profit' basis, which will seek to ensure that any surpluses produced from car parking income are retained as part of the a sinking fund for future repairs and replacement of assets and equipment or directly reinvested into the day-to-day operation, upkeep and maintenance of the car park.
- 2.5 The parties will agree the official commencement date of the proposed Lease, but it's not anticipated to come into effect until the car park construction is completed in late 2021 and the proposals may be finalised in the first instance by entering into an Agreement to Lease.

3. Considerations

- 3.1 The proposed Heads of Terms are subject to formal approval between FDC & MPC. If Cabinet is minded to approve the proposed grant of a Lease, MPC will be required to formally ratify and adopt the proposed Heads of Terms at a subsequent meeting of Manea Parish Council. It is proposed that any subsequent minor variations will be dealt with by requesting that FDC's Cabinet confers delegated authority to Senior Officers in conjunction with the Portfolio Holder for Economic Growth, the Portfolio Holder for Social Mobility and Heritage & the Leader of the Council and Portfolio Holder for Finance.
- 3.2 The proposed Lease is intended to be for a term of 25 years and is likely to incorporate a suitable break provision that will allow either FDC or MPC to bring the Lease to an end should the need arise. The Tenant will be responsible for the ongoing repairs and maintenance and FDC will have not any obligations in this regard.
- 3.3 In connection with the introduction of car parking charges, MPC will be required to notify FDC of the introduction or subsequent variation of the charging tariff or any penalty charges to ensure they remain proportionate and in accordance with the principles that the car park is operated on a 'not for profit' basis. FDC will not be required or permitted to approve such charges.
- 3.4 The Lease will be granted on the principles that both FDC & MPC will continue to benefit of residents and users of the car park to ensure that decisions are in the best interests of the car park facility and are made with prudence, diligence and not to the detriment of the other party. The parties will meet at least once a year, but with an appropriate regularity to discuss matters relating to: (i) the management and performance of the car park; (ii) the charging regime and operational income & expenditure; (iii) compliance with associated Lease, Planning & Ecological obligations; (iv) the future replacement & investment plan; (v) a car park user charter and (vi) the repairs & maintenance.

4. Effect on Council's Business Plan

- 4.1 The proposal satisfies the Council's Business Plan and in particularly the following Corporate Priorities:
- 4.2 Economy – This proposal will support the Council's ambition to promote and lobby for infrastructure improvements, which encourage sustainable rail travel and improve access to employment and local services. The construction and operation of the Manea Railway Station car park represents a major milestone in the progress of the Fenland Stations Regeneration Programme and will help to increase passenger uptake and drive demand for more frequent rail services.
- 4.3 The project will also support the Council's ambitions to promote and enable housing growth, economic growth, and recreation, providing a much-needed local facility for Manea and the surrounding area. The provision of a car park will further increase demand and support the growth of Manea as a 'rail-served' and attractive Fenland village.

5. Funding & Financial Implications

- 5.1 As was intended as part of the investment into Fenland's Railway Stations, the grant of a Lease to MPC will not create any additional or reduced financial implications for FDC. MPC will be responsible for all day-to-day revenue costs and for any capital expenditure relating to the repairs and maintenance and the upkeep or replacement of any equipment which may arise into the future. The proposed inclusion of a sinking fund within the Lease will assist with future capital replacement works and regular meetings between FDC & MPC will ensure that any surplus or deficit situations which may arise will continue to adhere to the principles of 'not for profit'.
- 5.2 It is proposed that the Lease would be granted at a nominal rent, in this case £1 p.a. which recognises the likely ongoing revenue costs required to operate and maintain the car park. The Council has powers under Section 123 of the Local Government Act 1972 to dispose of land in any manner it wishes, including granting a lease. The only restriction is that a disposal must be for the best consideration reasonably obtained, otherwise consent is required from the Secretary of State.
- 5.3 In ascertaining "best consideration" the Council can either offer the land on the open market or undertake a valuation of the lease so that it can determine whether the proposed price is the best consideration which can be reasonably obtained for the land and, if there is a disposal at an undervalue, what the amount of that undervalue is.
- 5.4 The General Disposal Consent (England) 2003 ("the General Consent") allows the Council to dispose of land for less than its market value without having to obtain consent from the Secretary of State where the difference between the unrestricted value of the interest to be disposed of and the consideration accepted is £2m or less. This will apply if the Council "*considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area:*
- i) *the promotion or improvement of economic well-being;*
 - ii) *the promotion or improvement of social well-being;*
 - iii) *the promotion or improvement of environmental well-being".*
- 5.5 The Council has undertaken an internal valuation appraisal of the land based upon the proposed Heads of Terms and is of the opinion that the undervalue does not exceed the £2m threshold. This is based upon the grant of a 25 year Lease, with a restrictive User covenant in the Lease limiting the use of the land to a car park and associated purposes on a 'not for profit' basis.
- 5.6 As the draft Heads of Terms are yet to be formally agreed with Manea Parish Council and the operational costs and car park charging tariff have yet to be established, Officers will continue to keep this matter under review. Prior to entering into the Lease or any Agreement to Lease, a further valuation may be required to ensure that the undervalue remains less than the £2m threshold and compliant with the terms of the regulations and in accordance with the approval sought by this Cabinet report.
- 5.7 Members will need to consider whether the purpose for which the land is being leased is in accordance with the requirements of the General Consent, namely that it satisfies at least one of the three objects referred to in paragraph 5.4 above.

6. Conclusions

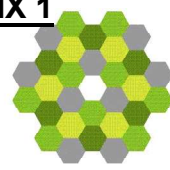
- 6.1 The proposal seeks to grant a Lease to Manea Parish Council, as was always intended, which will ensure local ownership and active management on the ground, whilst at the same time providing a much-needed local facility. These proposals were never envisaged to create significant profits for the operator and the principles of 'not for profit' have been adopted here to ensure that the facility can recover the costs of operation through the

introduction of charges which removes the burden directly from the Parish Council, but ensures that such charges on a 'user pays' basis, remaining are proportionate and reasonable.

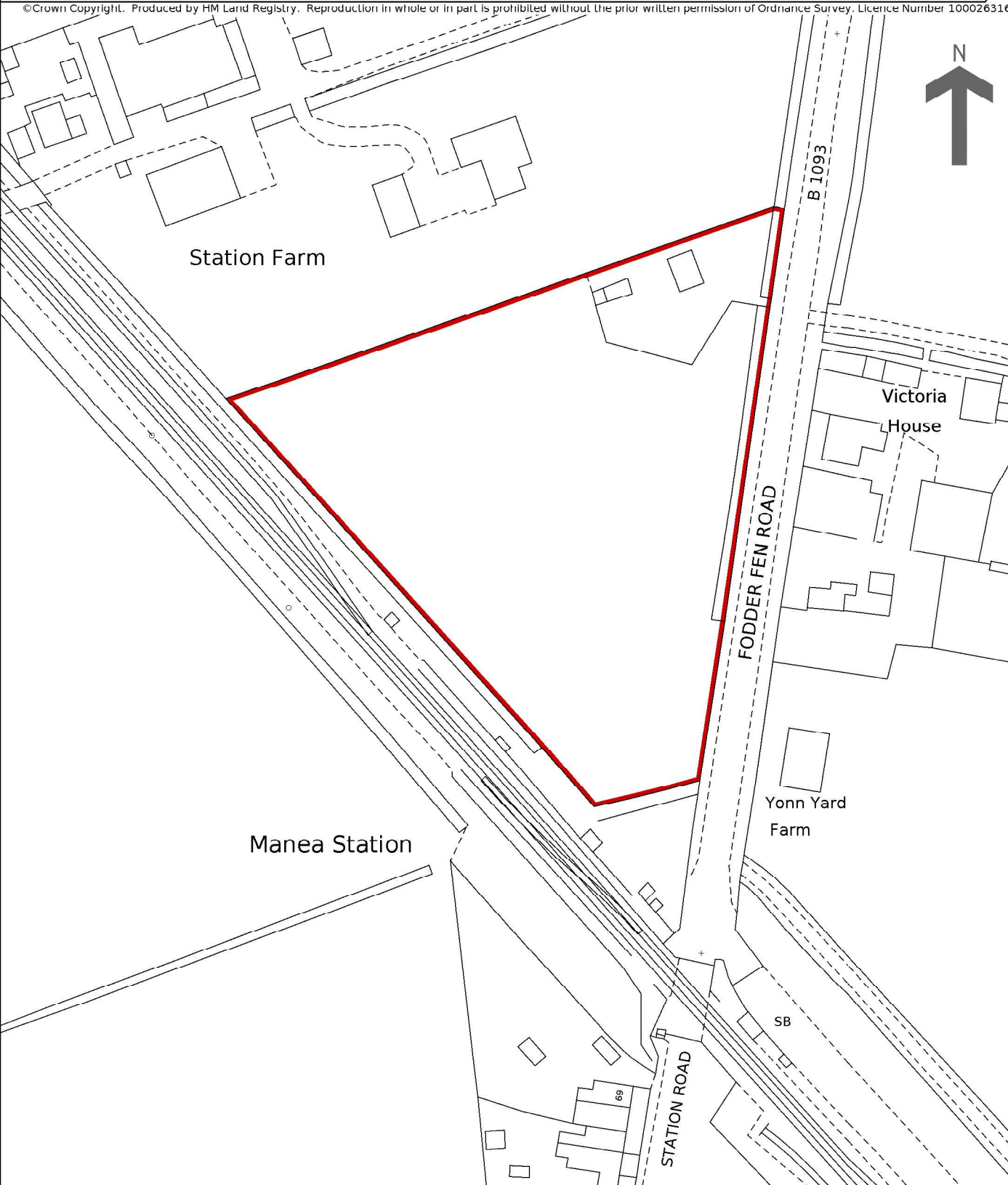
- 6.2 Manea Parish Council have been principle partners to the Fenland Stations Regeneration Programme Board in Manea and there is a strong community interest in granting a Lease, which will bring significant benefits to local residents and improve accessibility to one of Fenland's Railway Stations.

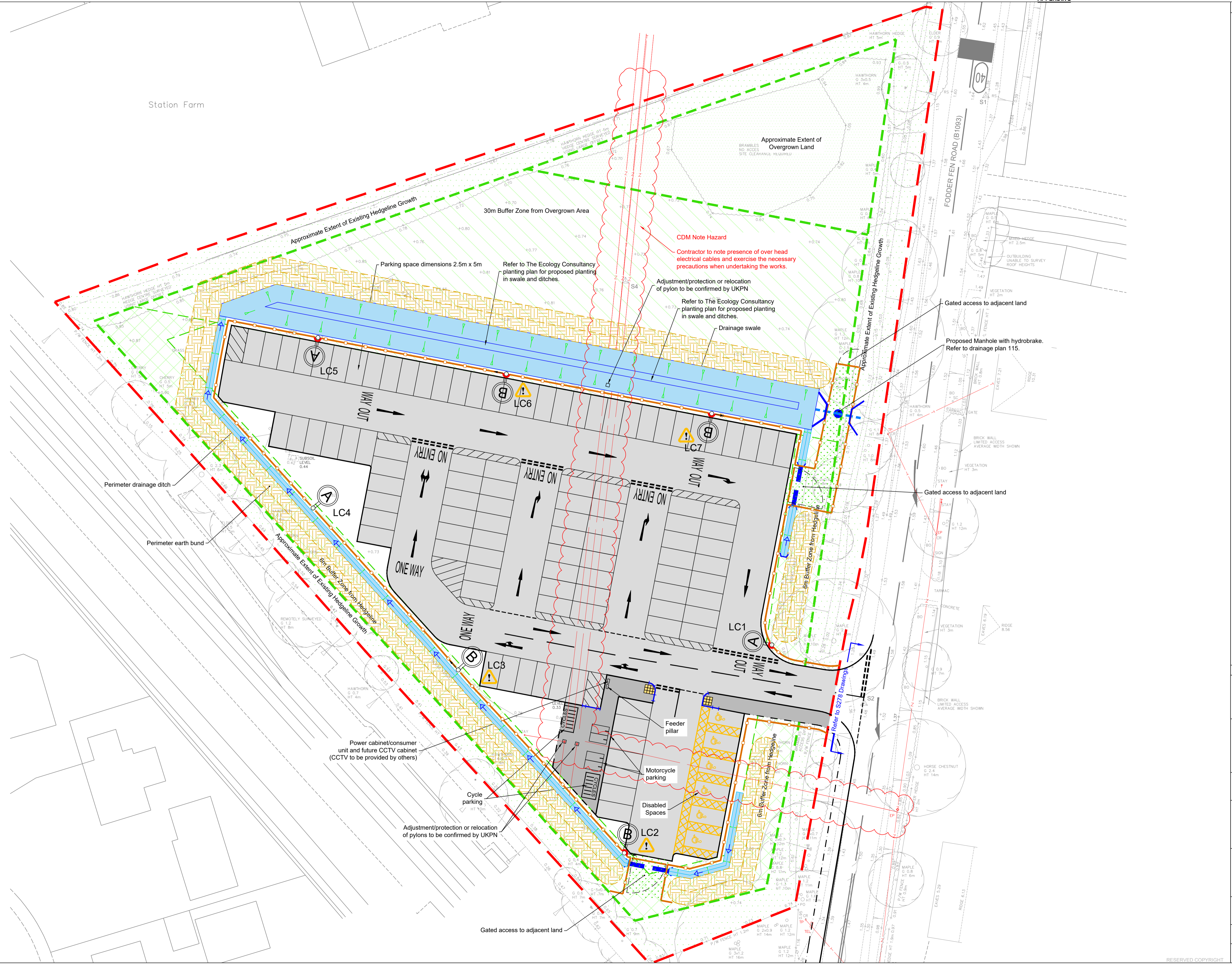
7. Recommendations

- 7.1 Members are requested to consider the report and confirm whether they wish to approve the grant of a Lease for 25 years at an annual rent of £1 to Manea Parish Council upon the Terms herein proposed.
- 7.2 Should the proposal be deemed acceptable to Members, it is further requested that approval of the detailed terms of the Lease be delegated to the Corporate Director (Finance) and the Head of Economic Growth & Assets in consultation with the Portfolio Holder for Social Mobility and Heritage, the Portfolio Holder for Economic Growth and the Leader of the Council and Portfolio Holder for Finance.



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- NOTES:**
- All details are to be checked on site by the Contractor prior to the commencement of the works.
 - All dimensions in metres unless otherwise stated. Measurements to all lines are to the centre line. DO NOT SCALE from this drawing.
 - All levels in metres above Ordnance datum unless otherwise stated.
 - HUK cannot be held responsible for the accuracy of the topographical survey.
 - Refer to site specific HUK Works Specification 2009-012/Spec'1. If there is any ambiguity between the Specification and the Drawings, the Drawings shall take precedence.
 - All lining is to be MMA screed
 - All street furniture to have 450mm clearance from face of kerb

- KEY:**
- Site Boundary
 - Footway Construction
 - Carriageway Construction
 - Earth Bund Construction
 - Grasscrete or similar
 - New Kerb
 - New Footway Edging
 - Timber Post and Four Rail Fence
 - Proposed V ditch
 - Proposed Swale
 - Proposed Culvert
 - Proposed Headwall
 - Outfall into existing ditch
 - Proposed Lamp Columns - refer to lighting design by Joseph Lighting & FDC lighting specification. Columns 3 & 4 to be hinged for access reasons.
 - Columns LC1, LC2, LC5, LC6, and LC7 are to have column protectors installed on car park side (3 post 60mm dia. steel tube concrete foundation - installed to manufacturers instructions)

Rev	Date	Drawn by	Checked by	Approved by
I	14.12.20	Amendments from comments by FDC	RC	PB
H	07.12.20	Minor amendments	RC	RC
G	04.12.20	Updated to reflect FDC changes	RC	RC
F	30.11.20	Updated to reflect FDC changes	NR	RC
E	12.11.20	Amended to suit HUK comments	NR	RC
D	02.11.20	GA & Topographical survey updated	NR	RC
C	20.10.20	Timber post and four rail fence added	NR	RC
B	28.10.20	Minor amendments to cycle parking	NR	RC
A	27.10.20	Motorcycle parking relocated	NR	RC



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Hertfordshire
AL7 1HG
0845 338 3938 info@highwaysuk.com

CLIENT: **MACE GROUP**

PROJECT: **MANEA STATION CAR PARK MANEA, MARCH**

TITLE: **CAR PARK DESIGN GENERAL ARRANGEMENT**

STATUS: **FOR APPROVAL**

SCALE:	DATE:	DRAWN:	CHECKED:	APPROVED:
1:250	05.10.20	RC	PB	JH
JOB NO:	DRAWING NO:	REVISION:		
2009-012	111	I		



Heads of Terms

New Lease

Manea Railway Station Car Park
Fodder Fen Road
Manea
March

SUBJECT TO CONTRACT AND WITHOUT PREJUDICE

The Code for Leasing Business Premises 1st edition effective September 2020 published by RICS advises that if you are not represented by an RICS member or other property professional you are strongly recommended to seek professional advice (e.g. from a qualified surveyor, solicitor or licensed conveyancer) before agreeing or signing a Business Tenancy agreement.

The code is available via the link below

https://www.rics.org/globalassets/code-for-leasing_ps-version_feb-2020-1.pdf

Prepared on: 8 March 2021 (version 4) – Draft

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Purpose	<p>The parties both acknowledge that the proposed construction and operation of the car park at Manea Railway Station is to be provided for the benefit of local residents, businesses, and users of the Railway Station.</p> <p>In reflecting the investment into the project made by the Cambridgeshire & Peterborough Combined Authority, both parties acknowledge that the car park shall be operated on a 'not for profit' basis with any surplus income being held on account by the Tenant and reinvested into the operation, upkeep and maintenance of the car park.</p> <p>The parties agree to work collaboratively and for the benefit of residents and users of the car park to ensure that such decisions are in the best interests of the car park facility and are made with prudence, diligence and not to the detriment of the other.</p>
Landlord:	Fenland District Council Fenland Hall County Road MARCH PE15 8NQ
Tenant:	Manea Parish Council
Tenant Address:	Parish Clerk c/o 20 St Martin's Road Chatteris PE16 6JF
Tenant Contact Details:	07771 524093 clerk@manea-pc.gov.uk
Property Demised:	Land at Fodder Fen Road, Manea, March, Cambridgeshire. All that land as shown edged red on the attached plan.
Land Registry Title Number:	CB240874
Term:	25 years from a date to be agreed.
Term Start Date:	From a date to be agreed between the parties.

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Rent:	£1 per annum payable on demand
VAT:	Where VAT is applicable, it will be chargeable at the prevailing rate.
Type of Lease:	Head Lease.
Landlords Works:	Works to construct a car park and ancillary services in accordance with Planning application F/YR20/0427/F (subject to approval or subsequent amendment)
Tenant Works:	The installation of infrastructure to support the implementation of car park charging and any ancillary Tenant 'fit out' works required to make the Property Demised suitable for purpose.
Rent Deposit:	No rent deposit will be required.
Guarantor	No guarantor will be required.
Break Provision:	The Landlord or Tenant can exercise the break provision on the 5th, 10th, 15th or 20th anniversary of the Term Start Date with a minimum of 6 months prior written notice.
1954 Act Protection:	The Lease excludes the provisions of S24-28 of Landlord & Tenant Act 1954.
Rights Granted:	None.
Rights Reserved:	<p>Rights of access, utility, and connection across, over and under the Property Demised.</p> <p>The right of access for third parties who are required to obtain access the Property Demised to ensure compliance and the appropriate discharge of conditions and obligations in connection with any Planning & Ecological requirements.</p> <p>The reservation of any rights that currently exist, benefit or are intended to benefit third party owners. Details to be provided by the Landlord.</p>
Car Parking Charges:	The Tenant shall be permitted to introduce and implement car parking charges in connection with the

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	<p>User clause.</p> <p>The levying of car parking charges will be undertaken on a 'not for profit' basis and any surplus car parking revenue will be retained and directed towards both capital replacement, revenue repairs, maintenance, and ongoing operation.</p> <p>The Tenant shall, before introducing such charges, provide the Landlord with a copy of it's proposed charging and penalty charging tariff and shall upon introduction of car parking charges and with each subsequent amendment of the charging and penalty charging tariff, provide a copy to the Landlord not less than 20 working days before such charges shall take effect.</p> <p>For the avoidance of doubt the Landlord is not required to provide formal approval, however the Landlord expects that any surplus revenue is reinvested into the operation and upkeep of the car park.</p> <p>The Tenant is solely responsible for the costs of acquiring and operating any equipment required to implement parking charges on the site, which includes any subscription, capital equipment or replacement costs.</p>
Management & Performance Meetings:	<p>The parties agree, at a frequency of not less than annually to meet to discuss as a minimum:</p> <ul style="list-style-type: none">• the management and performance of the car park,• the charging regime and operational income & expenditure• compliance with associated Lease, Planning & Ecological obligations, and conditions.• The future replacement & investment plan.• Car park user charter.
Outgoings:	<p>The Tenant will be responsible for the payment of all outgoings arising from the occupation of the Property Demised, including, but not limited to the costs of utilities, services, subscriptions, and associated property taxes such as Business Rates and Land Drainage Rates.</p>
Rent Payment:	<p>The rent is to be paid annually in advance on the Term Start Date and upon each anniversary of the Term Start</p>

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	Date.
Rent Review:	It is not proposed to include a Rent Review clause.
User:	<p>The premises are to be used as a public car park for the benefit of users of the railway station and for use as public transport interchange.</p> <p>The parties will agree a user charter between themselves prior to the car park being used and shall review any changes or amendments in a collaborative manner.</p>
Tenant Repairs:	The Tenant will have full responsibility for all repairs and maintenance relating to the Property Demised.
Tenant Obligations:	<p>The Tenant will have full responsibility for complying with all Planning and Ecology conditions and obligations as included in the Appendix to these Heads of Terms.</p> <p>The parties agree to establish the full responsibilities in connection with grounds maintenance and ecology obligations, together with matters relating to security, lighting, CCTV, and other relevant considerations.</p>
Landlord Repairs:	<p>The Landlord will have no repairing liabilities.</p> <p>During the first 12 months of the lease the Landlord may be required to ensure that the principal contractor completes any remedial works identified during the 'snagging' process. The Tenant acknowledges the need to permit access to the Property Demised in order for such works to be completed. Such works will be undertaken with the aim of minimising disruption.</p>
Dilapidations:	Dilapidations should be scheduled and given to the Tenant for action six months prior to the termination date.
Insurance:	<p>The Landlord will be responsible for insuring any buildings or structures on the Property Demised. The Landlord will be entitled to recover the costs of any insurance premium from the Tenant.</p> <p>The Tenant will be responsible for any Public Liability and any other Third-Party insurances.</p>
Service Charge:	It is not anticipated that there will be any Service

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	<p>Charges associated with this lease.</p> <p>Where services are subsequently identified or required, the Tenant agrees to pay for the cost of such services provided by the Landlord.</p>
Sinking Fund:	<p>The Tenant shall establish a Sinking Fund for the purposes of funding the replacement of any items or equipment which are required to be replaced and are in the opinion of both parties considered to be 'capital' replacements.</p>
CCTV:	<p>If the Landlord is required to provide CCTV to the Demised Premises, the parties agree that the Landlord is permitted to recover the capital costs of installation and all ongoing revenue costs in connection with providing CCTV services.</p> <p>In the event that CCTV is to be procured by the Tenant and provided by a third party, the Landlord will be required to provide consent, such consent shall not be unreasonably withheld or delayed.</p>
Alienation:	<p>The assignment of whole or part of the Property Demised and underletting are prohibited.</p>
Alterations:	<p>The Tenant will be permitted to make any non-structural alterations on site, subject to the Landlords prior written approval, such approval not to be unreasonably withheld.</p> <p>The Tenant will not be permitted to make any structural alterations or such alterations that constitute engineering activities for which Planning permission would usually be required to the Property Demised.</p>
Planning:	<p>The Tenant is to observe and comply will all Planning Acts and be responsible for obtaining any necessary statutory consents relating to the Tenants occupation and operation of the Property Demised.</p> <p>The Tenant is not permitted to apply for Planning permission to change the use of the site or make any physical or engineering alterations, except where it is necessary to comply with any statutory direction or obligation. Where this is necessary it will be subject to the Landlord's prior written approval.</p>

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Compensation:	The Tenant will not be due any Compensation upon the termination of the Agreement to Lease or Lease however so arising.
Conditions:	The terms are subject to formal Council approval of the respective parties.
Landlords Solicitors:	Chief Solicitor Fenland District Council Fenland Hall County Road March, PE15 8NQ
Tenant's Solicitors:	TBC
Landlord's Agent:	Head of Economic Growth & Assets Fenland District Council Fenland Hall County Road March, PE15 8NQ
Costs:	Both parties will bear their own costs in connection with this transaction.
Other Terms:	<p>The lease shall contain other such terms and conditions as the Landlord considers necessary for the letting of this nature.</p> <p>Such terms may include but are not limited to compliance with GDPR and Freedom of Information Act requirements.</p>

Please indicate your acceptance to the terms set out above by signing and dating in the space indicated below: -

Signed.....

Date.....

Data Protection Act 2018 and General Data Protection Regulations

Any personal data supplied by you will be held and used in accordance with the Data Protection Act 2018 and the General Data Protection Regulations. The Council will not

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disclose such information to any unauthorised person or body but where appropriate will use such information in carrying out its various functions and services. The Council may also use this data in connection with the prevention of fraud or other crime.

How we use your data is important to us and will be managed in accordance with the Council's Privacy Policy which can be accessed at <http://www.fenland.gov.uk/privacy/> To provide you with our services we will need to record personal information, such as your name and address. This information will be kept securely and only accessed by approved staff. We will not share your information with anyone else without first telling you. If you would like more details about how we protect personal information, please contact our Data Protection Officer.