

Report to the Cabinet

Report reference: C-015-2010/11
Date of meeting: 19 July 2010



**Epping Forest
District Council**

Portfolio: Legal and Estates

Subject: Purchase of the freehold of the car park to the rear of the Black Lion public house

Responsible Officer: Christopher Pasterfield (01992 564135).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations:

(1) To recommend a supplementary capital estimate to the Council in the sum of £150,000 to purchase the freehold of the Car Park at the rear of the Black Lion public house, High Street, Epping.

Executive Summary:

The Council is the leaseholder of the Car Park to the rear of the Black Lion public house. The freehold owner, Punch Taverns PLC, have offered to sell their interest to the Council for £150,000.

Reasons for Proposed Decision:

Purchasing the freehold interest will secure the Council's staff car parking provisions, failure to do so will potentially jeopardize the Council's long term interest on the site. It will also save £9,000 in continuing Services Budget (CSB) lease costs.

Other Options for Action:

To decline the offer to purchase the freehold of the car park and continue leasing the car park.

Report:

1. The District Council currently leases and occupies land, comprising 0.05 hectares (0.14 acres) adjoining the Civic Offices, Epping for staff car parking. Twenty five car parking spaces are provided on the site in the position shown hatched on the plan attached at Appendix 1.
2. The car park is held on a 10 year lease from 18 December 2001 subject to a rent review every 5 years and was last reviewed on 18 December 2006 to £9,059.54. The rent is increased in line with the Retail Price Index. The Council under the terms of the lease are responsible for maintenance of the site.
3. The freehold has been offered to the Council for £150,000. This represents a yield of 6% on the current passing rent of £9,059.54, however it is estimated that the current market value is in the region of £10,500 per annum which would equate to a yield of 7%.
4. If the Council were not to purchase the lease subsists until 18 December 2011 and

although it would be protected as a business tenancy under the 1954 Landlord and Tenant Act, Part 2, a different purchaser could seek possession for own occupation or development.

5. In the long term the site would be a useful addition to the redevelopment of the Civic Offices site and includes access across the existing Black Lion public house car park.

Resource Implications:

Supplementary capital estimate of £150,000.

Budgetary provision:

The Council is required to agree a supplementary capital estimate for £150,000 which will save £9,000 per annum in CSB lease costs.

Legal and Governance Implications:

None.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

None.

Background Papers:

Estates file 57B

Impact Assessments:

Risk Management

If we do not purchase this land there is the potential that in the future we may lose the use of the car park.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? No

What equality implications were identified through the Equality Impact Assessment process?
N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A