

## **CABINET**

**7 SEPTEMBER 2010**

### **MEDWAY STREET CAR PARK – EXTENSION OF LEASE**

Portfolio Holder: Councillor Phil Filmer, Front Line Services

Report from: Robin Cooper, Director of Regeneration, Community and Culture

Author: Rubena Hafizi, Parking Manager

#### **Summary**

This report seeks approval from Cabinet for the renewal of the lease held by the Council for Medway Street car park

#### **1. Budget and Policy Framework**

1.1 A renewal of a lease which exceeds £10,000 per annum is a matter for Cabinet.

#### **2. Background**

2.1 Cabinet considered a report on 23 September 2008, which reviewed the implementation of Medway Street car park and renovation works required to bring the site up to Medway Council standards. Full Council subsequently approved on 13 November 2009, as an addition to the Capital Programme, the improvement works to the car park and to adopt the parking charges.

#### **3. Medway Street Car Park – Renewal of Lease**

3.1 It was reported that an opportunity had arisen to acquire the lease of Medway Street car park (Chatham), a site adjacent to the Council-run Globe Lane car park, which was a very well utilised car park.

3.2 With the loss of part of the Pay and Display public car parking at Globe Lane car park due to the development of the Dynamic Bus Facility, Medway Street car park is often full to capacity. This clearly indicates how popular this car park has become and the need for parking provisions in this part of Chatham. It is therefore proposed that the existing lease be renewed.

- 3.3 The current condition of this car park is at a high standard due to the initial investment made by the Council in 2008.
- 3.4 The parking charges would remain the same as are currently charged:

<b>Tariff Band</b>	<b>Proposed Charges</b>
0-1	70p
1-2	110p
2-3	120p
3-4	130p
4-5	140p
5+	500p

- 3.5 The current lease with Dominion Developments (2005) Ltd was for a term of 18 months from 1 April 2009 expiring on 30 September 2010 on the terms set out in the exempt appendix. Negotiations have taken place in relation to a new lease and this is also detailed within the exempt appendix.
- 3.6 The projected income, set out in the exempt appendix, is based on the previous financial year income (with allowance for the proposed increased rental) and a number of usage surveys carried out on Medway Street car park since the closure of Globe Lane car park. The projected Penalty Charge Notice (PCN) figure cannot be guaranteed, as this is solely dependant on motorist compliance, however, this figure has been projected following an analysis of PCN issue in this car park for the previous year.

#### **4. Risk Management**

- 4.1 If Cabinet decides not to extend this lease then the site may be managed by a private parking company who will utilise clamping as a form of enforcement, which in previous years has been erroneously attributed to the Council.
- 4.2 If a private enforcement company was to take this site the Council would have no control over the parking charges for motorists utilising this facility and will lose the Council net income.

#### **5. Financial and Legal Implications**

- 5.1 The financial implications are set out in the exempt appendix. The additional lease costs can be met from the predicted income streams.
- 5.2 There are no direct legal implications arising from the report.

#### **6. Recommendation**

- 6.1 That Cabinet approves the renewal of the lease held by Medway Council for Medway Street car park for a term of 24 months from 1 October 2010 on the terms set out in the exempt appendix.

## **7. Suggested reasons for decision**

- 7.1 The renewal of this lease will ensure that sufficient parking provision is maintained in this part of Chatham.

### **Lead officer contact**

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### **Background papers:**

Report to Council 13 November 2008