

**REPORT ON BEHALF OF THE PROPERTY & PROJECTS GROUP**

---

**SUBJECT: PROPOSED REGEARING OF MARLOES SANDS CAR PARK**

**INTRODUCTION**

The subject property is a large, informally surfaced car park above Marloes Sands Beach which was acquired by the Authority in 1967 and has been operated by the National Trust as a paying car park facility since the early 1980's. The wording of the original 1980's agreement between The Authority (Landlord) & National Trust (Tenant) gave statutory security of tenure to the National Trust and generated little or no rent for the Authority. In 2011 the opportunity arose to regear that lease with the parties documenting a new 10 year full repairing and insuring lease with a turnover based rent reflecting 60% of the gross car parking income. The rent which the Authority has received under these provisions has increased steadily from circa £5,000pa in year 1 up to approx. £11,500 for the most recent year ending March 2018. The contractual expiry date of the existing lease is March 2021.

The Nat Trust has a substantial landownership in the immediate vicinity of the car park including a former YHA premises which they have recently converted to a café and bunk barn facility. Subject to obtaining both Landlord ( and relevant statutory) consents they are now looking to improve the facilities within the car park by laying a new tarmac surface and constructing a permanent car park attendant/ membership recruiting building. However to justify that level of expenditure (which they estimate to be in excess of £150,000) they have approached us requesting a new 20 year lease on the pre-existing terms.

Marloes Sands Car Park is held in the Authority's asset register as an income producing investment property. You officers are of the opinion that the existing turnover rental received, reflecting 60% of the car parks gross income is favourable to the Authority and that the opportunity to extend that income stream into the medium/long term against the Nat Trust covenant is an attractive opportunity.

**Financial, Risk & Compliance Considerations**

The Authority has a long standing working relationship with the National Trust at both this site and at a park wide level. The regearing of the Marloes Sands Car Park lease in 2011 replaced its pre-existing inequalities with terms that have proved fair and beneficial to both parties. The lease is drawn within the security of tenure provisions of the Landlord and Tenant Act 1954 which protects the National Trusts right to renew in March 2021. The only realistic grounds upon which the Authority could seek to oppose that statutory right would be to resume control of the car park in our capacity as owner operator commencing March 2021. The merging of Marloes Sands

car park into our charging car park operation would need to be proceeded by a variation of the Authority's Car Park Order.

Both current and proposed lease terms see the Authority receive 60% of the gross car park income. The gross parking income for the last full year as reported by the National Trust was £19,137. Whilst it is reasonable to assume the potential gross income of the car park under the Authority's control would be higher than that generated by the National Trust (as their membership includes free access to their car parks), the Authority would also assume full occupiers liability and be responsible for the total operating costs of the car park.

### **Human Rights/Equality Issues**

No issues

### **Biodiversity Implications/Sustainability Appraisal**

No issues

### **Welsh Language Statement**

No issues

### **Summary**

Your Officers are of the opinion that the current lease terms in force are equitable and fair and that the requested 20 year extension would have the effect of securing those lease terms into the medium/long term. It would also allow the National Trust to undertake their planned capital upgrade of the site. The alternative option of displacing the National Trust effective from 2021 would expose the Authority to operational risk and cost, balanced against the uncertain hope of a materially increased net revenue stream.

### **Recommendation**

**That Member's authorise the granting of a new 20 year lease to the National Trust on the pre-existing terms.**