

NORTH YORKSHIRE COUNTY COUNCIL

EXECUTIVE

22 June 2021

Grant of Leases to NY Highways Ltd

Report of the Corporate Director for Strategic Resources

1.0 Purpose of Report

1.1 To obtain approval to grant leases to NY Highways Ltd.

2.0 Background

- 2.1 Under his delegated decision making powers in the Officers' Delegation Scheme in the Council's Constitution, the Chief Executive Officer has power, in cases of emergency, to take any decision which could be taken by the Council, the Executive or a committee. Following on from the expiry of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, which allowed for committee meetings to be held remotely, the County Council resolved at its meeting on 5 May 2021 that, for the present time, in light of the continuing Covid-19 pandemic circumstances, remote live-broadcast committee meetings should continue, with any formal decisions required being taken by the Chief Executive Officer under his emergency decision making powers and after consultation with other Officers and Members as appropriate and after taking into account any views of the relevant Committee Members. This approach will be reviewed by full Council at its July meeting.
- 2.2 At the meeting of 16 April 2019, the Executive resolved 'That following the completion of the current HMC and HEDC contracts, the delivery of the highways service be via a Teckal company for the Operational elements of the service and via In-house delivery for the Professional Services element, supported by a single provider top-up contract. Both of these delivery models to be supplemented by support contracts.'
- 2.3 The NYCC owned Teckal Company set up to carry out this function is NY Highways Ltd (NYH).
- 2.4 In order to facilitate service provision, NYCC will lease 19 depot sites to NYH. The decision to grant leases at most of these sites was taken on 18 May 2021, under delegated authority from the Corporate Director, Strategic Resources.
- 2.5 The Property Procedure Rules (para 8.1.3.1) require the Executive to approve the grant of any lease where the annual rent exceeds £100,000. This is the case for the depots at Thirsk (£105,399), Kirby Misperton (£115,439), Skipton (£109,834) and Selby (£121,102).

2.6 The leases will commence on 1 June 2021. Current occupation is by virtue of temporary licences, which do not require Executive approval.

3.0 Financial Implications

3.1 The rents were determined by an external company (Cushman & Wakefield) in order to avoid State Aid or similar replacement provisions.

3.2 The annual rental income to NYCC for these four depots will be £451,774. For all of the depots it will be £1.05 Million.

3.3 The Property Service will manage the depot sites. All costs associated with the running of them will be recovered from NYH by a service charge, collected in arrears based on actual expenditure on a quarterly basis.

4.0 Recommendation

4.1 That, subject to any comments Members may have, the following be proposed to the Chief Executive Officer for consideration under his emergency delegated powers:

- i. To approve the grant of leases to NYH for the four sites listed in paragraph 2.5, on terms to be agreed by the Corporate Director for Strategic Resources.

Date: 8 June 2021

Presenter of report: Gary Fielding, Corporate Director for Strategic Resources

Report Author: Shaun Wilson, Property Transaction Manager

Background Papers: None

Appendices: None