

Report on behalf of the Projects & Property Group

Subject: Newport Parrog Car Park and Lime Kiln Lease

Purpose of Report

To seek Members approval for the surrender of the existing National Park Authority (NPA) lease of Newport Parrog car park and lime kiln to Newport Town Council.

Introduction/Background

The subject property is located at Newport Parrog and is shown edged red on the image below. It comprises of a tarmac surfaced non charging public car park with the capacity for approximately 40 vehicles and a listed stone built lime kiln structure.



The Authority's direct involvement with the subject property dates back nearly 30 years to 1996 when it acquired an 80-year lease to address:

- the parking provision, which was unmanaged, informal and in poor condition
- the lime kiln structure which was in a deteriorating state of repair.

In the period since, the NPA has used its controlling leasehold to secure listed status for the lime kiln and consolidate its historic structure, make good and improve the surface condition of the parking area and introduce a level of management to control and regularise that same parking area by motoring public.

As at today's date, the lease still has an unexpired term of 52 years and its salient terms include full repairing and management responsibility, a nominal passing rent of £268pa which is subject to 7 yearly reviews, no break options and a restrictive covenant that prohibits the introduction of parking charges of any kind.

Abutting the car park is a public toilet (indicated by the green arrow) which is under the direct control of Pembrokeshire County Council who have made clear their intention to permanently shut it during the early part of 2025 unless another party is willing to step forward and assume responsibility for its continuing management and operation. Newport Town Council have stated their willingness to assume that responsibility conditional upon them being able to generate a long-term revenue stream to cover its operating costs. They have identified the introduction of parking charges for the car park as a means of raising that revenue stream. It is an unusual step for a local community to advocate for the imposition of car park charges upon itself although their reasons for doing so in this instance are quite clear and has already received a mandate of support from within the local community.

Members are reminded that whilst the terms of the Authority lease preclude it from introducing parking charges, the continuing existence of that same lease also prevents any other party from doing so.

To give effect to that mandate, Newport Town Council need to secure 2 principal objectives:

1. Long-term control of the subject land: they have already agreed terms with our Landlord (The Baroney of Cemmas, Alex Hawksworthy) to acquire his freehold of the subject land and the public toilets.
2. Secure full vacant possession of the subject land by taking a surrender of the Authority's remaining unexpired lease term thereby allowing them to introduce parking charges in their capacity as the owner operator of the subject land.

Under normal arm's length market conditions, the act of surrendering the lease would generate an uplift in the value of the freeholder's interest which the Authority would reasonably expect to receive a share of i.e a reverse premium. However, the basis of this surrender proposal is not market driven but instead, an opportunity to secure and protect an at-risk public service via the transfer of control from one public body i.e the NPA to another trusted public body i.e Newport Town Council within the spirit and principal of public sector partnership working.

Financial considerations

The terms of the Authority existing lease represents an ongoing financial liability for the remainder of its 52 years unexpired term.

Risk considerations

Your officers have sought and received assurances from Newport Town Council that with the sole exception of the introduction of parking charges, the public's current access to and use of the subject land will remain unchanged under their direct ownership and control.

Human Rights/Equality issues

In reaching this stage, Newport Town Council have already undertaken a process of local consultation in the form of an open public meeting and their proposal has received a strong local mandate of support.

Biodiversity issues

No issues of concern.

Welsh Language considerations

No issues of concern

Conclusion

The continuation of the National Park lease represents an unfunded long-term liability for the Authority and also frustrates Newport Town Councils ability to protect and secure the at-risk public toilet facilities. The proposal put forward by Newport Town Council is considered to be a creative and practical long term solution which would see both the freehold of the car park, lime kiln and public toilet facility pass from private control into local public ownership and remain available for public use under the direct control of Newport Town Council.

Recommendation:

That Members give delegated authority to the Chief Executive to complete a full and final nil premium surrender of its lease of the subject property to Newport Town Council simultaneously with the latter's freehold purchase of the subject property.