

REPORT ON BEHALF OF THE PROPERTY & PROJECTS GROUP

SUBJECT: STACK ROCKS & ST GOVAN'S: UPDATE ON LEASE RENEWAL NEGOTIATIONS

INTRODUCTION

The Stack Rocks & St Govan's sites fall within the ownership of the MOD and comprise part of their Castlemartin operational training range. The Authority manages both sites (shown edged **red** on aerial photos below) under a single lease. That lease expired on the 18th March 2016 since when the Authority has continued holding over in possession whilst negotiating terms for its renewal.



The Authority's direct management of the sites date back to 1974 when the MOD and National Park Authority identified a mutual interest to provide facilities for the increasing numbers of public visitors attracted by the spectacular coastal scenery and historic St Govan's Chapel. The parking of cars on the cliff tops was an issue of particular concern.

Following the MOD's outright rejection of a suggested move away from a formal Landlord & Tenant arrangement in favour of a more flexible contemporary

Management Agreement approach, we have now reached agreement for the terms of a new occupational lease reflecting the following salient terms:

1. A term of 21 yrs (unchanged from current lease)
2. A fixed rent of £1pa (the historic passing rent is £575pa)
3. Retention of 100% of any on site concession/licence income that we generate (the current lease requires us to pay 25 % any income generated to the Landlord. This year (2018) the gross ice cream concession income from both sites is £1,500.)
4. The Landlord shall be responsible for repairing and maintaining all boundary structures (the current lease requires the Authority to bear those costs)
5. A tenant break option that we may exercise at any time at our absolute discretion upon service of between 6 and 12 months advance notice (the current lease only provides break options every 5 years)
6. The option to install a voluntary donation system at both sites and retain 100% of any proceeds raised

Financial, Risk & Compliance Considerations

The proposed new lease terms will secure ongoing public access to this area of the National Park, reflect a modest reduction in our revenue costs of circa £1,000pa and give the flexibility to renegotiate with the MOD in response to changing circumstances via the rolling tenant break. The option to establish a contemporary on-site mechanism for voluntary donations by the public also offers potential.

Human Rights/Equality Issues

No issues.

Biodiversity Implications/Sustainability Appraisal

The sites' special features and historic buildings are recognised and protected under statute.

Welsh Language Statement

No issues

Recommendation

That Members authorise your Officers to document a lease renewal of the Stack Rocks & St Govan's sites on the terms outlined above.