

**From:** Peter Oakford, Deputy Leader and Cabinet Member for Finance,  
Corporate and Traded Services

Rebecca Spore, Director of Infrastructure

**To:** Policy and Resources Cabinet Committee

**Date** 15<sup>th</sup> May 2024

**Subject:** Granting of Formal Lease for Electricity Sub Station at Bapchild  
and Tonge Church of England Primary School, Sittingbourne

**Decision No.** 24/00030

**Non-Key Decision** Yes

**Classification:** UNRESTRICTED

**Past Pathway of Paper:** N/A

**Future Pathway of Paper:** Cabinet Member Decision

**Electoral Division:** Swale East

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**Is the decision eligible for call-in?** Yes

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**Summary:** This report considers the proposal to grant a Lease for over 20 years to UK Power Networks for occupation and use of a new Electricity Sub Station located within the grounds of the school.

**Recommendation(s):**

The Policy and Resources Cabinet Committee is asked to consider and endorse, or make recommendations to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision to:

1. Authorise the granting of a Lease for a term in excess of 20 years to UK Power Networks for occupation and use of a new Electricity Sub Station to be located within the grounds of the school; and
  2. Delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services to take necessary actions, including but not limited to entering into relevant contracts or other legal agreements, as required to implement this.
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**1. Introduction / Background**

- 1.1 Kent County Council (KCC) are the freehold owners of land and playing fields at the Primary School. The buildings and tar paved areas are owned by Canterbury Diocesan Board.
- 1.2 UK Power Networks (UKPN) is currently planning an infrastructure improvement project in the area local to the school. An existing substation is sited on the edge of the school playing field on land leased to the (former) Southern Eastern Electricity Board (now UKPN), with an approximately 43 years unexpired term on the Lease.
- 1.3 The current location of the substation is now considered unsuitable by the school due to its proximity to one of its school buildings which it wishes to expand.
- 1.4 The current substation is enclosed within a compound surrounded by fencing, which also directly adjoins climbing aids for pupils; the presence of such apparatus could be used to assist unauthorised access into the compound. It is therefore proposed that a new substation is installed in a more appropriate location within the school site and housed in a glass reinforced plastic unit, rather than being a transformer in a compound. This new arrangement will supersede the existing substation which will be removed upon completion of the project and the remainder of the existing lease surrendered afterwards.
- 1.5 To meet the requirements of UK Power Networks a lease of 99 years will need to be granted for the provision and operation of the new substation.

## **2. Key Considerations**

- 2.1. UK Power Networks have the benefit of the existing lease 43 years unexpired.
- 2.2. It needs to install a modern substation, which will remain its property.
- 2.3. To enable the new substation to be provided, UK Power Networks requires KCC to grant a lease of a term of 99 years. This provides UKPN with security of tenure, having regard to its investment to provide and maintain the new arrangement.
- 2.4 The lease will be granted for nominal consideration i.e. a rent of £1 (one pound) per annum, as is common with utility leases and consistent with the old lease that will be surrendered. Given this, the size requirement, lease terms and use, the impact on land value will be minimal.

## **3. Proposed Express Terms of the New Lease**

- (a) a lease term of 99 years, together with rights of access and associated cable rights,
- (b) a rent of £1 per annum, if demanded, without review, throughout the term of the lease,
- (c) UK Power Networks to enclose the substation so it cannot be accessed by users of the adjoining School,
- (d) UK Power Networks to be responsible for all repairs and maintenance of the new substation,

- (e) UK Power Networks to be responsible for maintaining insurance cover in respect of the new substation.
- (f) upon expiry or sooner determination of the new lease, UK Power Networks to remove the substation, cap off all service connections thereto and reinstate all surfaces disturbed to the County Council's reasonable satisfaction.
- (g) Provision of a "lift and shift" clause enabling the County Council to reserve rights to relocate the new substation if the land is required for redevelopment.
- (h) Any other terms as may be agreed between the County Council and UK Power Networks and recommended for authorisation to the Director of Infrastructure.

#### **4. Options considered and dismissed, and associated risk**

- 4.1 Not to agree the lease – UKPN would retain its current substation compound for 43 years with its associated safety issues in a position that would prevent the school's expansion.
- 4.2 Agree the new lease and re-positioning of the substation on standard UKPN lease terms - the substation is required to provide electricity to the school to ensure it remains operational. Relocation of the existing substation will enable an existing school building to be extended to provide enhanced facilities to users of the school.

#### **5. Financial Implications**

- 5.1 UKPN to cover the County Council's reasonable legal fees up to a maximum specified amount of £1,700 (one thousand seven hundred pounds).
- 5.2 A rent of £1 (one pound) per annum, if demanded, is proposed within the 99-year lease.

#### **6. Legal**

- 6.1 KCC is the current owner of the land upon which the substation is to be located together with all necessary rights of access and associated cable rights.
- 6.2 UKPN hold a lease on the existing substation for 43 years and for it to be surrendered and for a new repositioned arrangement to be agreed, a new lease will be required. There is no statutory or contractual requirement to grant this new lease, though the old substation arrangement would likely continue as a result.
- 6.3 External legal advisors will be appointed as appropriate, in consultation with General Counsel.

#### **7. Equalities**

- 7.1 The substation is required to provide power to the school at this location. This will benefit all users of the school, and the local community. An equalities impact assessment (EQIA) has been completed with no negative impacts identified and this is published and attached to this report.

## **8. Data Protection Implications**

8.1 No Data Protection implications are anticipated by entering into the Formal Lease and therefore a DPIA is not required.

## **9. Corporate Objectives:**

9.1 This decision supports Framing Kent's Future – Our Council Strategy 2022-2026 as the decision ensures the school remains operational and enhances facilities, supporting KCC's commitment to maintaining its strategic role in supporting schools in Kent to deliver accessible, high-quality education provision.

9.2 Infrastructure for Communities will be maintained from the new substation to all the properties served by the existing substation, using modern materials and technologies associated with prevailing substation design and construction and protected for long term use by the presence of a long lease. Environmental Step Change objectives will also be achieved, as the proposed lease will compel the operator to use sustainable materials and reduce any carbon emissions compared to the existing substation, which will help the County Council achieve its Net Zero targets.

## **10. Governance**

10.1 The Local Member, Mr Lehmann, has been formally notified of the proposed granting of the 99-year lease and subsequent surrender of the existing substation lease.

## **11. Conclusion**

11.1 The granting of the proposed 99-year lease will provide UK Power Networks with an estate interest in a small area at the school and enable the facilities to remain in full operational use.

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## **Recommendation(s):**

The Policy and Resources Cabinet Committee is asked to consider and endorse, or make recommendations to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision to:

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## 12. Background documents

12.1 Appendix A – Proposed Record of Decision

12.2 Appendix B - Published Equalities Implication Assessment (EQIA)

## 13. Contact details:

<b>Lead Officer(s):</b>	<b>Relevant Director:</b>
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