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From: Roger Gough, Cabinet Member for Business strategy, performance and Health Reform & Barbara Cooper, Director of Economic Development

To: Policy and Resources Cabinet Committee 11<sup>th</sup> July 2012

Subject: **Gas Governor Installation-Lease to Southern Gas Networks PLC relating to Roundabout 4, Kings Hill Avenue, Kings Hill Avenue, Kings Hill**

Classification: Unrestricted

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**Summary:** The granting of a Lease for a peppercorn and the grant of an easement to facilitate essential Gas infrastructure to be installed.

**Recommendations:** Members of the Policy and Resources Cabinet Committee are asked to consider and either endorse or make recommendations on the Cabinet Member decision to authorise the lease/easement of the necessary land.

## **1. Introduction**

Kent County Council owns the freehold of the land. The land forms part of the Kings Hill development area and falls within the control of the Development Partnership between KCC and Liberty Property Trust UK. The proposals will allow the provision of an upgrade in the supply to the local network which is essential to current and future development.

## **2. Financial Implications**

The decision to implement the proposals will not have any impact on the Council's capital and revenue budgets and spending plans. The lease will be granted for a peppercorn rent due to the essential need for the upgrade in infrastructure.

Southern gas Networks agree to indemnify the Landlord in respect of all losses arising from any breach of covenants or the occupation /use of the land and easement strip.

Each party is responsible for its own legal fees.

## **3. Bold Steps for Kent and Policy Framework**

The decision links to the Council's Medium Term Plan (Bold Steps for Kent) in that it aligns with:

Priority 8 - Responding to key regeneration challenges working with our partners by unlocking a key site within a growth point and which contributes to providing new homes and commercial opportunities at Kings Hill. The increased gas capacity provides essential services for Kings Hill development areas.

Priority 9 - Support new housing growth that is affordable, sustainable and with the appropriate infrastructure; and

Priority 11 - Improving access to public services.

The proposed decision relates to the long term agreed Master Plan and strategy for Kings Hill and as part of the Council's Policy Framework.

#### **4. The proposals**

The proposed granting of the lease and associated rights over an easement strip for installation, maintenance and repair will enable a Gas Governor to be installed. This Gas Governor will regulate gas pressure in the local network and ensure newly built and further planned housing some of which is currently under construction are all adequately supplied with gas. Without the new infrastructure in place further new connections will not be possible.

Southern Gas Networks have advised that the installation of a Gas Governor is essential piece of equipment.

The main aspects of the lease are:

- a) The term of the lease will be 99 years;
- b) Rent will be a peppercorn
- c) Lift and shift provisions within the lease so that KCC/LPTUK has the ability to relocate the equipment /cabling if needed for redevelopment purpose
- d) The land will revert back to KCC at the end of the term
- e) There is a restriction to use the land solely for the purposes of a gas Governor.

Liberty Property Trust UL Ltd and Rouse Kent (Residential) Ltd are party to the agreement for the purposes of estate management functions.

Local member consultation has taken place.

#### **5. Conclusion**

It is essential that all necessary service provisions to serve the Kings Hill development are made and dealt with as a priority and that there are minimal

legal and/or commercial impediments in the delivery of those services serving the development.

The proposals are the result of advice from Southern Gas Networks and have been stated as imperative. There are considered to be no other alternative or better options available or capable of delivering the same optimum solution.

## **6. Recommendations**

The Cabinet Member for Business Strategy, Performance and Health Reform recommends the Cabinet Committee to delegate authority to the Corporate Director for Business Strategy and Support, on behalf of Kent County Council, to enter into the appropriate contracts for the leases and associated easement.

Members are requested to agree and endorse the recommendations as set out above on page 1 of the report.

## **7. Background Documents**

A location plan based on the survey is attached for reference purposes

## **8. Contact details**

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