

<b>Leases for the Fakenham Leisure and Sports Hub Project</b>	
<b>Executive Summary</b>	This report seeks Cabinet approval to grant a lease to UK Power Networks (UKPN) for a small area of land at Trap Lane leased from Fakenham Town Council. The lease is required for the construction and operation of a power substation to support the expanded leisure centre being constructed in the FLASH project. Construction of the substation is scheduled to commence in April 2026. There are no alternative options if the leisure centre project is to proceed.
<b>Options considered</b>	<ol style="list-style-type: none"> <li>1. Approve the lease to UKPN for the substation site.</li> <li>2. Reject the lease – this would prevent the leisure centre expansion as no alternative power solution exists.</li> </ol>
<b>Consultation(s)</b>	Steve Hems - Director for Communities (Project Sponsor) Nicola Swan - Solicitor, Eastlaw
<b>Recommendations</b>	It is recommended to Cabinet to provide approval to: <ul style="list-style-type: none"> <li>• To grant a '99years less one day' lease to UKPN for the construction and operation of a substation on Trap Lane land.</li> <li>• Delegate approval to the Asset Strategy Manger or the Assistant Director for Finance and Assets to agree the exact terms of the above legal agreement.</li> </ul>
<b>Reasons for recommendations</b>	The substation is essential for the leisure centre expansion project. Without this lease, the new substation cannot be built which would mean the power demands of the new facility could not be met.
<b>Background papers</b>	<a href="#">Report to Full Council – 27th July 2022</a> <a href="#">Report to Full Council – 20th December 2023</a> <a href="#">Report to Cabinet – 8<sup>th</sup> July 2024</a>

<b>Wards affected</b>	Fakenham wards (Lancaster North and South); and wards in the west of the district including Briston, Priory, Stibbard, Stody, The Raynhams, Walsingham; Wells with Holkham.
<b>Cabinet member(s)</b>	Cllr, L Shires
<b>Contact Officer</b>	Milo Creasey – Estates Surveyor - <a href="mailto:milo.creasey@north-norfolk.gov.uk">milo.creasey@north-norfolk.gov.uk</a>  Renata Garfoot - Asset Strategy Manger - <a href="mailto:Renata.Garfoot@north-norfolk.gov.uk">Renata.Garfoot@north-norfolk.gov.uk</a>

<b>Links to key documents:</b>	
Corporate Plan:	The 2023-2027 Corporate Plan themes - Developing our Communities and A Strong, Responsible and Accountable Council
Medium Term Financial Strategy (MTFS)	The contents of this report do not directly impact upon the MTFS. Wider financial implications of the Fakenham Leisure and Sports Hub have been considered in earlier reports to Full Council.
Council Policies & Strategies	Asset Management Plan 2018 - 2022

<b>Corporate Governance:</b>	
Is this a key decision	Yes
Has the public interest test been applied	Yes. There is no private or confidential information to be considered by this report.
Details of any previous decision(s) on this matter	Report to Full Council –20th December 2023. Report to Cabinet – 8 <sup>th</sup> July 2024

## **1. Purpose of the report**

- 1.1 To seek Cabinet approval for the grant of a lease to UK Power Networks for a substation site on the Council's leased land at Trap Lane, Fakenham.

## **2. Introduction & Background**

- 2.1 The existing Fakenham Leisure Centre is located on Trap Lane on the North-Western edge of Fakenham.
- 2.2 Fakenham Town Council is the freehold owner of the leisure centre site and further land directly to the north of the site.
- 2.3 The Council has a 120-year lease for the existing Fakenham Leisure Centre site which commenced in 2003 and has a term 99 year remaining, which is due to expire in 2123. The rent for this lease is £1 per annum (not in practice collected).
- 2.4 The Council was successful in bidding for Levelling Up monies to build an extended facility and refurbish the existing Fakenham Sports Centre, allowing the Council to further enhance its quality leisure facilities offer to communities in the west of the District.
- 2.5 To enable further enhancements at the leisure centre site, the Council and the freeholder have executed documents for new leases including additional land.

- 2.6 The Fakenham Leisure Centre expansion requires increased power capacity. UKPN has confirmed that a new substation is necessary to meet this demand for which they require a lease of land on which to site a new electricity substation. Construction is planned for April 2026.

### **3. Proposals and Options**

It is proposed to grant a lease to UKPN for the installation and operation of a substation to meet the additional power requirements of the expanded leisure centre.

#### **3.1 Lease from The Council to UKPN**

- 3.1.1 A lease to UKPN is essential for delivering the Fakenham Leisure and Sports Hub project. This lease must be for a term of '99years less one day' to fall within the 99year term for which the Council leases the leisure centre site from Fakenham Town Council.
- 3.1.2 The proposed UKPN lease demise is outlined and shaded blue on the plan shown in Appendix A.
- 3.1.3 The lease will be at a peppercorn annual rent of £1 (i.e. nominal and not in practice collected).
- 3.1.4 UKPN will be responsible for the maintenance of the substation for the duration of the lease and will have rights of access to the lease demised.

#### **3.2 Alternative options.**

- 3.2.1 No alternative options are available, as the substation is essential for project delivery.

### **4. Corporate Priorities**

- 4.1 Delivery of the Fakenham Leisure and Sports Hub project supports the Council's Corporate Plan themes – Developing our Communities and A Strong, Responsible and Accountable Council.

### **5. Financial and Resource Implications**

- 5.1 Officer time is required to process the proposed legal documents required for this lease to be completed.
- 5.2 Wider financial and resource implications regarding the development of the facility have been considered in earlier project reports. In relation to the UKPN

lease both the Council and UKPN will be responsible for their own surveying and legal costs, respectively.

- 5.3 Rent payable to the Council from UKPN for the new lease is £1 per annum, a nominal sum in practice not collected.

**Comments from the S151 Officer:**

*The S151 Officer (or member of the Finance team on their behalf) will complete this section.*

*Granting a sublease at a peppercorn to UKPN from a superior peppercorn lease does not have financial impacts. It presents value for money in the context of the wider development at the Fakenham Leisure and Sports Hub and is required for a Low Carbon solution.*

**6. Legal Implications**

- 6.1 The lease proposed in this report will oblige all parties, to adhere to the terms agreed.

**Comments from the Monitoring Officer**

*The Monitoring Officer (or member of the Legal team on behalf of the MO) will complete this section. They will outline any legal advice provided.*

*To meet the electricity needs of the Leisure Centre, the construction and operation of an electricity substation is required at this site. The proposed lease will enable this function. Eastlaw can provide assistance if required with regard to the draft lease.*

**7. Risks**

- 7.1 The legal agreement outlined in this report is essential to deliver the Fakenham Leisure and Sports Hub project.
- 7.2 If the lease cannot be completed prior to the construction of the substation, delays to the project timeline will occur, potentially resulting in substantial additional costs.
- 7.3 Failure to complete the lease agreement with UKPN in advance of the proposed construction start date of April 2026 poses a significant risk to the delivery of the Fakenham Leisure and Sports Hub project. Delays would result in increased project costs, contractual penalties, and reputational damage for the Council.
- 7.4 Wider project risks have been included on a Project risk register, and appropriate entries have been entered into the Corporate Risk Register.

**8. Net ZeroTarget**

- 8.1 This matter was covered in the approved report to Full Council on 20 December 2023, relating to the wider project.

**9. Equality, Diversity & Inclusion**

- 9.1 This matter was covered in the approved report to Full Council on 20 December 2023, relating to the wider project.

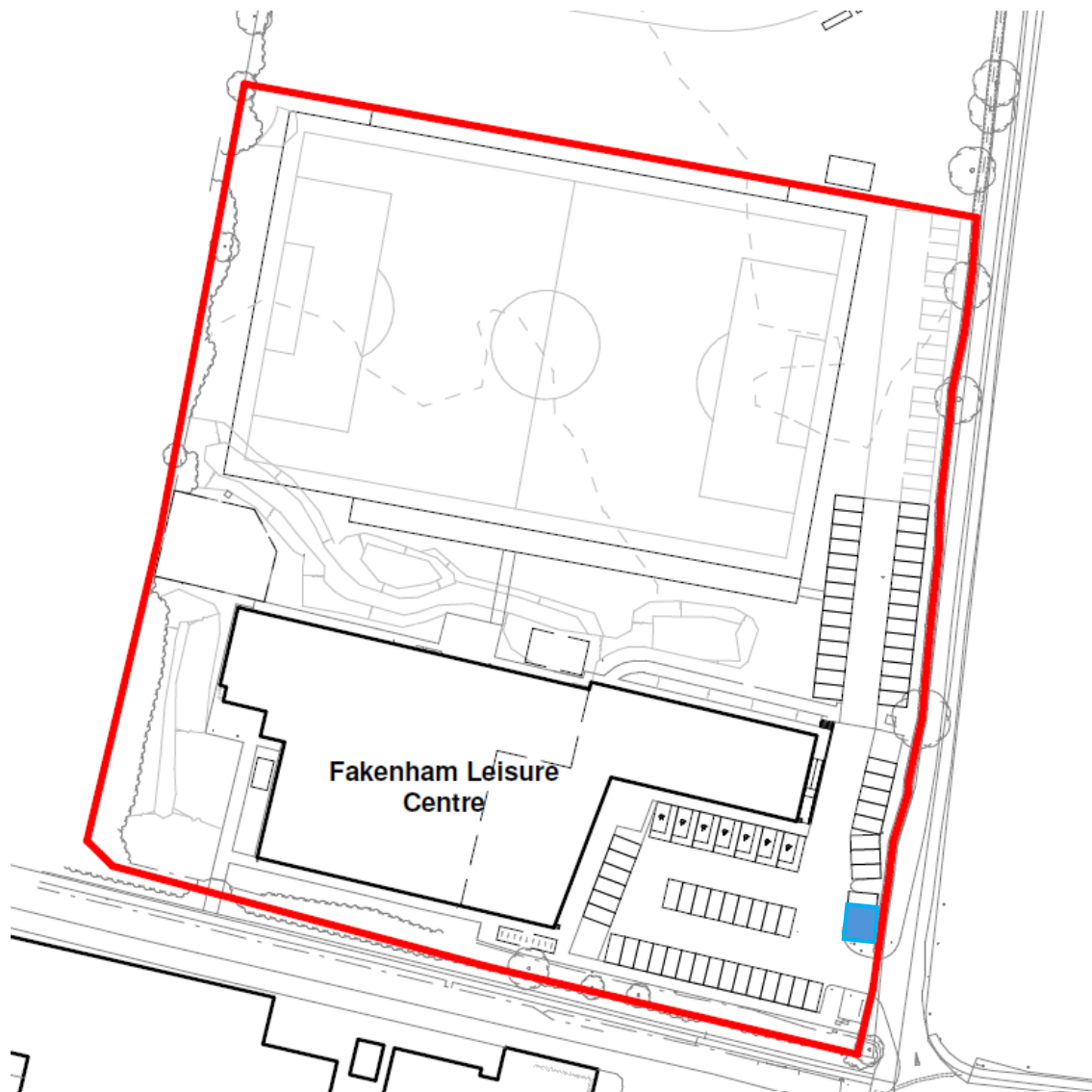
**10. Community Safety issues**

- 10.1 This matter was covered in the approved report to Full Council on 20 December 2023, relating to the wider project.

**11. Conclusion and Recommendations**

- 11.1 The lease to UKPN proposed in this report is required to deliver the Fakenham Leisure and Sports Hub project.
- 11.2 It is recommended to Cabinet to provide approval to:
- 11.2.1 To grant of a '99years less one day' lease to UK Power Networks to enable construction and operation of a substation on land at Trap Lane, Fakenham.
- 11.2.2 Delegate approval to the Asset Strategy Manger or the Assistant Director for Finance and Assets to agree the exact terms of the above legal agreement.

## Appendix A – Proposed UKPN Lease Plan Area



The proposed UKPN lease demise is outline and shaded blue  
The Council Lease demise is outlined red

*Plan not to scale and shows an approximate location of the proposed UKPN lease demise.*