

This report will be made  
Public on 18 November 2022

# Hythe Town Council

[www.Hythe-tc.gov.uk](http://www.Hythe-tc.gov.uk)

Report number **F&GP/22/22**

To Hythe Town Council  
Date 10 November 2022  
Status **Non-Exempt**  
Responsible officer Town Clerk

Subject **UK POWER NETWORKS SUBSTATION RENT REVIEW  
REPORT F&GP/22/22**

**SUMMARY:** This report requests a decision from the committee on the rent review due from UK Power Networks for the lease of substation site at South Road, Hythe and recommends that the committee reviews in accordance with best practice.

## **REASON FOR RECOMMENDATION:**

The Committee is asked to agree the recommendations set out below because; -

- a) The Council is committed to control and manage its financial affairs in accordance with The National Association of Local Councils (NALC) guidelines.

## **RECOMMENDATIONS:**

1. To receive and note the report F&GP/22/22
2. To recommend to council a proposed rental increase for the lease of substation site at South Road, Hythe from 01.11.22 to 31.10.27.
3. To delegate the negotiation of the increase with UK Power Networks to the Town Clerk.

## **INTRODUCTION**

Historically, SEEBOARD (previously the South-eastern Electricity Board, SEEB) looked after the electricity network in parts in Kent and part of Surrey, and Sussex.

In 1998 Eastern Electricity became TXU Energy, which together with London Electricity then merged in 1999 to form 24seven Utility Services. 24seven Utility Services handled electricity distribution for the next three years, before it expanded even further when SEEBOARD joined them under the ownership of the LE Group in 2002. The following year 24seven Utility Services rebranded to become EDF Energy Networks.

EDF Energy Networks then managed the electricity distribution network across London, the Southeast and East of England for the next seven years until 2010 when they were acquired by the CK Group and renamed UK Power Networks.

([www.ukpowernetworks.co.uk](http://www.ukpowernetworks.co.uk), 2022.)

In 2003 SEE board Power Networks plc entered into a contract with Hythe Town Council to lease land in South Road for a sub-station site.

SEE board Reference 36/37RO545. The SPENS No for the site is 361922.

A new 40-year lease to 2043 was agreed with a rental charge of £250 per annum.

The agreement was accepted subject to a five-year rent review.

Over the ensuing years the rent was increased by an RPI of 3.60% until 01 November 2012 where it was increased to £337 per annum. This should have been increased in 2017 but is still being charged at £337 per annum.

As the increment was not implemented the council have not collected £12.13 per annum over the last five years resulting in a £60.65 loss.

The next increment due 01 November 2022 would have increased the payment due to £361.70 per annum, an increase of £12.56 per annum.

## **SUMMARY**

The committee is asked to decide if the increment in rent should be proposed at the initial £12.13 (due 2017) or if the increment should now be £24.64 as per the two increments.

## **RISK MANAGEMENT**

A summary of the perceived risk follows;

**Perceived Risk** Council does not increase the lease rental as per the rental agreement and the council's income from assets remains lower than anticipated.

**Risk** Low

**Likelihood** Low

**Preventative Action** Council increase the lease rental.

## **CONTACT OFFICER**

If you have any queries about this report, please contact The Town Clerk and the Responsible Financial Officer of the Council

Tel: 01303 266152 or email [clerk@hythe-tc.gov.uk](mailto:clerk@hythe-tc.gov.uk) prior to the meeting.

## **Bibliography**

www.ukpowernetworks.co.uk. (n.d.). *Our history* | *UK Power Networks*. [online]

Available at: <https://www.ukpowernetworks.co.uk/about-us/our-history>

[Accessed 17 Nov. 2022].