



Cambridgeshire
Police & Crime
Commissioner

To: Business Coordination Board

From: Chief Executive

Date: 14 July 2015

St NEOTS MAST: PROPOSED VARIATION AND ASSIGNMENT OF LEASE

1. Purpose

1.1 To seek approval of the Business Coordination Board (“the Board”) to a Deed of Variation and Deed of Assignment of the existing 10 year lease which permits Telefonica UK Ltd to site equipment on the mast at St Neots.

2. Recommendation

2.1 The Board is recommended to approve the Deed of Variation and Deed of Assignment to Cornerstone Telecommunications Infrastructure Ltd (CTIL) on the terms outlined in 3 below.

2.2 That the Commissioner signs the Decision Notice to approve this Deed of Variation

3. Background

3.1 On 24th July 2008 Cambridgeshire Police Authority granted Telefonica UK Ltd a 10 year lease permitting them to site telecommunications equipment on St Neots police station mast. The amount of equipment they can install is subject to tight restrictions contained within the lease.

3.2 Telefonica UK Ltd entered into an agreement with Vodaphone Ltd in June 2012 to jointly operate and manage a single network grid within the UK.

3.3 As a result of this, Telefonica and Vodaphone have created a joint venture company, Cornerstone Telecommunications Infrastructure Ltd (CTIL) to be responsible for holding the leases and other assets comprising the combined network of the two companies. CTIL is jointly owned and fully funded by Vodaphone and Telefonica.

3.4 Cambridgeshire Constabulary were approached by CTILs agents who undertook a review of all sites to establish which were to be upgraded to accommodate both

companies and which would be decommissioned. St Neots was identified as one to be upgraded subject to the agreement of all parties involved.

3.5 Our agents, Telemaster, advised that this would be an opportunity to formalise the arrangement whilst taking the opportunity to realise a small amount of additional money. Alternatively it is likely that Telefonica would eventually have found a way to bring Vodaphone onto the site without the need to seek landlords consent (not a physical presence but roaming or similar).

3.6 The main terms which have been agreed are outlined below.

- The existing 10 year lease to be assigned to CTIL with the right to assign back to Telefonica UK Ltd, subject to landlords consent not be unreasonably withheld or delayed. The tenant to meet the landlords reasonable and proper costs.
- The right to share the site with Telefonica UK Ltd and Vodaphone Ltd at nil payaway.
- The tenant to pay the Landlord a one-off disturbance payment of £3,000 payable on completion of the proposed deeds.
- The tenant to contribute £750 plus VAT towards the landlords reasonable surveyors fees and £1,250 plus vat towards the Landlords reasonable solicitors fees, payable on completion.
- The remainder of the current alienation clause will be retained under the terms of the existing lease.

3.7 CTIL will need to increase the equipment rights within the lease to include the installation of an additional two ground based cabinets.

3.8 This proposed site share arrangement and equipment upgrade are to be recorded by way of a Deed of Assignment and Deed of Variation respectively.

3.9 There was no scope to take this opportunity to increase the passing rent of £10,405.61 per annum as the site is already considerably over rented.

4. Summary

4.1 This is an opportunity to formalise and update the lease to reflect the joint working between Telefonica UK Ltd and Vodaphone Ltd whilst securing a one-off payment.

5. Recommendation

5.1 The Board is recommended to approve the Deed of Variation and Deed of Assignment to CTIL on the terms outlined in 3 above.

5.2 That the Commissioner signs the Decision Notice to approve this Deed of Variation.

BIBLIOGRAPHY

Source Document	Cambridgeshire Constabulary, Estate Management – Property Files
Contact Officer(s)	Elly McKee, Estates Management Surveyor, Cambridgeshire Constabulary Colin Luscombe, Director of Estates, Office of Cambridgeshire Police and Crime Commissioner