

# WESTMINSTER CITY COUNCIL

## STATEMENT OF DECISION

### SUBJECT: ACQUISITION OF LEASEHOLD INTERESTS IN LONDON W9

Notice is hereby given that the Cabinet Member for Finance and Council Reform, has made the following executive decision on the above mentioned subject for the reasons set out below.

#### Summary of Decision

The Cabinet Member for Finance and Council Reform has approved:

1. The acquisition of the two superior leasehold interests in Flat 15, Barnard Lodge, Admiral Walk, London (W9 3TD) and Flat 10, Florey Lodge, Admiral Walk, London (W9 3TF) (subject to legal and physical due diligence), on the terms set out in the confidential Appendix 1.
2. The arrangement and entering into all necessary legal documentation (including any deed of variations and maintenance agreements, subject to legal due diligence and any landlord's consent) and payment of any tax, charges or fees, in association with the purchase of the two properties.

#### Reasons for Decision

The freehold of the building is currently owned by Pertinax Limited. Pertinax Ltd are the landlords to NHS, of the Properties. The NHS have a long lease of 125 years from 1 January 1989 with the freeholders for Flat 15, Barnard Lodge, Admiral Walk, London (W9 3TD) and Flat 10, Florey Lodge, Admiral Walk, London (W9 3TF). The NHS have subleased the two Properties above to the Council for the provisions of care services.

The Council currently lease the above flats from the NHS at RPI linked (and capped) market rentals for terms of 10 years from September 2018, with mutual rolling breaks in September 2025 onwards. The flats are currently void, and the Council will need to invest in the refurbishment of the flats to enable them to be fit for occupation by adults with complex physical needs.

Acquisition of the superior long leasehold interests from the NHS provides the long-term security required to invest in the properties. The capital premium paid for the peppercorn headleases is also cost effective relative to the annual rental cost of the current Council subleases.

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**Implementation Date:** 21 December 2023

**Reference:** FCR23-14