



City of Westminster

Cabinet Member Report

Meeting or Decision Maker:

Cabinet Member for Finance and
Council Reform

Date:

26 October 2022

Classification:

For General Release save for the
Appendix Restricted under Schedule
12A Part 1 Local Government Act 1972
(as amended)

Title:

Lease renewal of 13-19 Circus Road,
NW8 6PB

Wards Affected:

Regents Park

Key Decision:

No

Financial Summary:

The commercial terms of the proposed
letting are included in the Confidential
Appendix. The letting will deliver a long-
term income, collected by the Council to
support future provision.

Report of:

Claire Barrett – Director of Corporate
Property and Strategic Asset
Management

1. Executive Summary

- 1.1. This Cabinet Member report recommends that Westminster City Council (WCC) enters into a new lease at 13-19 Circus Road, London with Panzer Delicatessen Limited on the basis of a 20 year lease on the commercial terms detailed in the separate restricted appendix.

2. Recommendations

- 2.1 To approve the grant of a 20 year lease to Panzer Delicatessen Limited on the Heads of Terms within the confidential appendix.

3. Reasons for Decision

- 3.1 Under the WCC constitution Cabinet Member approval is required where the initial rent under a lease is in excess of £125,000 per annum which applies in this case.

4. Background, including Policy Context

- 4.1 The subject property is a self-contained retail unit located on the Circus Road close to the Wellington Road junction. The property is owned freehold by the WCC and forms part of the Housing Revenue Account commercial stock. The retail unit is arranged over basement and ground floor with a total approximate area of 5,178 sq. ft (gross internal area).
- 4.2 Panzers Delicatessen previously occupied a lease that commenced on 14th March 2022 for a term of 20 years, the lease included the security of tenure provisions of the Landlord and Tenant Act 1954. Therefore, the tenant has the right to renew their lease unless the Council has grounds to oppose under s30 of the Landlord & Tenant Act.
- 4.3 Officers confirm they do not meet the requirements to oppose a new lease.
- 4.4 WCC representatives have confirmed that the proposed rent within the Heads of Terms is in line with the current market rent which WCC can expect to reasonably obtain for this property in this location.

5. Financial Implications

- 5.1 The proposal noted will safeguard a commercial income stream that contributes to the overall level of commercial income assumed in the HRA business plan. There are therefore no direct financial implications given that this rental income is already factored into existing estimates.

6. Legal Implications

- 6.1 Local authorities are given powers under the s.123 Local Government Act 1972 to dispose of land in any manner they wish, including sale of their freehold interest, granting a lease, or assigning any unexpired term on a lease, and the granting of easements. The only constraint is that a disposal must be for the best consideration reasonably obtainable (except in the case of short tenancies), unless the Secretary of State (SoS) consents to the disposal.

6.2 The report confirms that the land is in the HRA but for commercial purposes. It is not held in the HRA for the purposes of the provision of housing accommodation under Part II of The Housing Act 1985 (HA 85). However, for the avoidance of doubt, the General Consent 2013 to s.32 HA 85 states at 3.2 '*A local authority may dispose of vacant land.*' Vacant land is defined as land where no dwelling houses have been built i.e. this asset is not classified as a dwelling-house, but a commercial building and therefore can be disposed of in accordance with the recommendation.

6.3 Where a lease is contracted inside the provisions of Sections 24-28 of the Landlord and Tenant Act 1954 i.e. security of tenure, this essentially means that the tenant has a statutory right to request a new lease, subject to rent, on the same terms as it had before, after the original term of their lease has expired.

7. Carbon Impact

7.1 There is no carbon impact from this decision which relates to the new lease of an existing WCC property.

8. Consultation

8.1 An email notifying Ward Councillors was circulated on the 19th May 2022.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

Ian McAuley, imcauley@westminster.gov.uk

APPENDICES

Appendix A – Agreed Heads of Terms (Restricted under paragraph 3, schedule 12A Part 1 of Local Government Act 1972)

BACKGROUND PAPERS

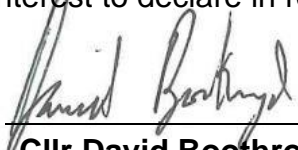
None.

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member Finance and Council Reform**

Declaration of Interest

I have no interest to declare in respect of this report

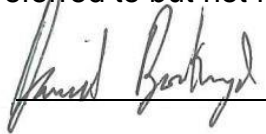
Signed:  Date: 26 October 2022
NAME: **Cllr David Boothroyd**

State nature of interest if any:

(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled

Lease Renewal 13-19 Circus Road NW8 6PB and reject any alternative options which are referred to but not recommended.

Signed: 
Cabinet Member for Finance and Council Reform

Date: 26 October 2022

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant

considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

Other Implications

- 1. Resources Implications**
- 2. Business Plan Implications**
- 3. Risk Management Implications**
- 4. Health and Wellbeing Impact Assessment including Health and Safety Implications**
- 5. Crime and Disorder Implications**
- 6. Impact on the Environment**
- 7. Equalities Implications – See section 13**
- 8. Staffing Implications – See section 13**
- 9. Human Rights Implications**
- 10. Energy Measure Implications**
- 11. Communications Implications**
- 12. Counter Terrorism and Security Implications – See section 13**

Note to report authors: If there are particularly significant implications in any of the above categories these should be