



Decision Maker:	Cllr David Boothroyd – Cabinet Member for Finance & Council Reform
Date:	24 November 2022
Classification:	Part exempt. Appendix A contains information relating to an individual, and to the financial or business affairs of the Council
Title:	Lease Restructure – Arches 36-48 and land at Gemini Project Sites 1&2 Landmann Way, London, SE8 5JW
Wards Affected:	All
Policy Context:	This decision supports the Council's policy objectives in enabling the WCC waste collection service to progress the development of their electric vehicle charging depot at this site which once completed will be a major contributor to the council's net zero strategy
Key Decision:	No
Financial Summary	The proposal is to restructure WCC's existing lease of this site to incorporate an additional circa 400m ² strip of land, extend the lease by a further 8 years and remove some landlord break options, pending its redevelopment as a WCC waste fleet charging depot with a private wire power connection to the adjoining SELCHP power plant.
Report of:	Claire Barrett – Director of Property and Strategic Asset Management

1.0 Executive Summary

1.1 The purpose of this report is to recommend terms for the restructuring of the council's leasehold interest in their waste collection vehicle depot at Landmann Way, Deptford as a precursor to commencement of works to enable for the charging of the new electric powered vehicle fleet.

1.2 The asset sits in the General Fund.

2.0 Recommendation

2.1 That the Cabinet Member for Finance and Council Reform;

2.1.1 approves that Appendix A of this report be exempt from disclosure by virtue of the Local Government Act 1972, Schedule 12A, Part 1, paragraph 1 (in that it contains information relating to an individual) and also paragraph 3 (in that it refers to the financial or business affairs of others (including the authority holding that information)).

2.1.2 approves the Lease Restructure at Arches 36-48 and land at Gemini Project Sites 1&2 Landmann Way, London, SE8 5JW on the terms in the Confidential Appendix A and approves the entering into any legal documents ancillary to or required to facilitate the lease restructure.

3.0 Reasons For Decision

3.1 The current lease of the Landmann Way depot does not offer sufficient security of tenure or cover a large enough area to enable the council to develop the site as a charging depot for the new electric waste collection vehicle fleet. The lease restructure will secure the site for 20 years from 30 November 2022 and allow the works to proceed without risk.

4.0 Background including Policy Context

4.1 The site at Landmann Way was acquired by way of lease in February 2019 to operate as a depot for approximately one half of the WCC waste vehicle collection fleet (40 vehicles). The remainder of the fleet is located at Alperton, Brent. The site was acquired as a replacement for the depot at Mandela Way, Southwark where the council were refused planning for the depot use.

4.2 In 2020 a decision was taken by WCC to transition the waste collection fleet from diesel to electric vehicles (EVs) as part of the Council's commitment to achieving 2030 carbon neutrality. In the light of the adjacency of the Landmann Way site to the Southeast London Combined Heat and Power Plant (SELCHP) a project was established to turn Landmann Way into an EV charging depot with power purchased direct from SELCHP under a private wire agreement.

4.3 The design of the electrification scheme is now well advanced but before WCC can commit to the works it is necessary to de-risk the current leasing arrangement at the site. The current lease expires in February 2034 and contains rolling landlord development breaks and a fixed 'any reason' landlord breaks in 2024 and 2029. The lease restructuring terms detailed in Appendix A secure the site to 2042 and will enable the conversion to an EV charging depot to proceed.

5.0 Financial Implications

- 5.1** The current budget for the lease at Landmann Way is £0.360m and is held within Corporate Property (Finance & Resources). The proposed lease payments following the lease restructure amount to £0.446m, this creates a pressure of £0.086m. The part year impact for 2022/23 can be funded from current Service underspends, the pressure in 2023/24 can be funded from Reserves balances. The ongoing pressure will then be included as a pressure within the Medium-Term Financial Planning process in 2023/24 so that it can be recognised within the budget position for the Service.
- 5.2** There is an associated Stamp Duty Land Tax payment which will fall due on completion of the lease restructure of £0.075m. This will be funded from the existing capital programme for electrification infrastructure works within Environment & City Management.

6.0 Legal Implications

- 6.1** Section 1 of the Localism Act 2011 provides a “general power of competence” for local authorities, defined as “the power to do anything that individuals generally may do” and which expressly includes the power to do something for the benefit of the authority, its area or persons resident or present in its area. The General Power of Competence states that a local authority may do anything a person can do so long as it is not specifically prohibited (under that Act or other legislation not prohibited).
- 6.2** The Council has the power to acquire the lease under section 120 of the Local Government Act 1970 (“1970 Act”). A local authority may acquire by agreement any land, whether situated inside or outside their area, for any purpose for which they are authorised by the 1970 Act (or any other enactment to acquire land) notwithstanding that the land is not immediately required for that purpose; and, until it is required for the purpose for which it was acquired, any land acquired under this subsection may be used for the purpose of any of the Council’s functions.
- 6.3** Where a lease will be contracted outside the provisions of Sections 24-28 of the Landlord and Tenant Act 1954 i.e. security of tenure, this essentially means that the tenant will not have the statutory right to request a new lease, on the same terms as it had before, after the original term of their lease has expired.

7.0 Carbon Impact

- 7.1** The carbon impact of this decision is significant in that this site is integral to the council’s 2030 carbon net zero objective. It will enable both the transition of half of the waste collection vehicle fleet from diesel to electric and the charging of these vehicles from SELCHP which is powered in part from WCC’s own recycled waste.

8.0 Consultation

- 8.1** As this site sits outside of the Westminster City boundary it has not been necessary to consult with any Ward Members in advance of this decision.

9.0 Equalities

- 9.1 The Equality Act 2010 requires public authorities to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations. The Council must further take into account its wider public sector equality duty under section 149 of the Equality Act 2010 when making decisions.
- 9.2 There are no direct equalities implications on this lease restructure, and the report confirms that due consideration has been given in progressing the proposals

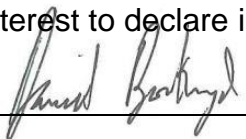
If you have any queries about this Report please contact: Claire Barrett
c.barrett@westminster.gov.uk

APPENDICES - Appendix A (Exempt from publication under Paragraph 1, Schedule 12A of the Local Government Act 1972)

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

Declaration of Interest

I have no interest to declare in respect of this report

Signed:  Date: 24 November 2022

NAME: Councillor David Boothroyd

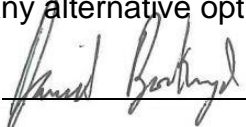
State nature of interest if any:

(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 Restructure – Arches 36-48 and land at Gemini Project Sites 1&2 Landmann Way, London, SE8 5JW

and reject any alternative options which are referred to but not recommended.

Signed: 

Cabinet Member for Finance and Council Reform

Date: 24 November 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.