



City of Westminster

# Cabinet Member Report

**Meeting or Decision Maker:**

Cabinet Member for Finance and  
Council Reform

**Date:**

17 May 2023

**Classification:**

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

**Title:**

New Letting of 45a Old Compton Street,  
London, W1

**Wards Affected:**

West End

**Key Decision:**

No

**Financial Summary:**

The commercial terms of the proposed  
letting are included in the Confidential  
Appendix. The letting will deliver a  
medium term income to the HRA.

**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 45a Old Compton Street, London, W1 (“the Property”) with Oree Boulangerie Limited on the basis of a 10 year lease on the commercial terms detailed in the separate restricted appendix.

## **2. Recommendations**

- 2.1 To approve the grant of a 10 year lease to Oree Boulangerie 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 Property is a self-contained retail unit located on the south side of Old Compton Street in Soho. The Property is owned by WCC and forms part of the Housing Revenue Account (HRA) commercial portfolio asset and comprises approximate Gross Internal Area (GIA) of Ground Floor (651 sq ft) and Basement (706 sq ft).

- 4.2 Ryness Electrical Supplies Ltd (Ryness) previously occupied the subject Property under a lease that commenced on 25 March 2002 for a term of 20 years. The lease expired on 24 March 2022 and the tenant remained in occupation holding over. The tenant decided to end the occupation and not agree to a new lease and a new reduced level of rent. The Property was eventually handed back to WCC on 8 December 2022.

- 4.3 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 lease granted represents a £10,000 per annum reduction compared with the previous lease held by Ryness, and there will in addition be a 6 month rent free period. Nevertheless, the premises are currently empty so the granting of the lease will increase income for the HRA by more than £125,000 per annum over 10 years (the value of lease is included in the confidential appendix). The rent is also in line with the current market and there is an opportunity to increase the rent after 5 years if market rates improve.

## **6. Legal Implications**

- 6.1 It is noted that this asset is a commercial unit which sits within the HRA. The Council has a general power under section 123 of The 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 of less than 7 years). Anything less than best value will require Secretary of State consent.

- 6.2 This asset although in the HRA is not for the purposes of Part II of the Housing Act 1985 as it is a commercial unit and therefore s.32 of Housing Act 1985 does not apply, and the only criteria is one of best value as above.
- 6.3 The report confirms at 4.3 that the terms proposed in Confidential Part B Appendix and the rent, is the best reasonably obtainable based on current market rental valuations, which is in line with the Council's power above. As such, the Council should be minded to agreeing to dispose of the asset as per the recommendation.
- 6.4 Where a lease is to 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. This gives the Council the flexibility to reassess what the needs are within the community at the time and what the current market rent levels are.

## **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. Equalities Implications**

- 8.1 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 take further into account its wider public sector equality duty under section 149 of the Equality Act 2010 when making decisions. There are no direct equalities implications on this lease.

## **9. Consultation**

- 9.1 A Cabinet Member briefing took place on 27 February 2023.
- 9.2 Ward Members were made aware of this matter via email on 16 May 2023.

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

Ryan Compton, Estates Surveyor [rcompton@westminster.gov.uk](mailto:rcompton@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

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: 17 May 2023  
NAME: Councillor David Boothroyd

State nature of interest if any:

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\_\_\_\_\_

*(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

New Letting of 45a Old Compton Street, London, W1 and reject any alternative options which are referred to but not recommended.

Signed: 

**Cabinet Member Finance and Council Reform**

Date: 17 May 2023

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