



City of Westminster

Cabinet Member Report

Meeting or Decision Maker:	Cabinet Member for Finance, Property and Regeneration
Date:	15 October 2020
Classification:	General Release, excluding Appendix A - exempt from publication as it involves the disclosure of information as prescribed by paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended), relating to the financial or business affairs of any particular person (including the authority holding that information).
Title:	Church Street Site A commercial property Acquisitions
Wards Affected:	Church Street ward
City for All Summary	This project builds upon the City for All commitment that everyone should have the opportunity to build their lives, careers and families here.
Key Decision:	Yes
Financial Summary:	All costs in relation to this report have already been budgeted for.
Report of:	Serena Simon, Church Street Renewal Programme Director, Growth Planning and Housing Contact details: ssimon@westminster.gov.uk Setareh Neshati, Head of Development, Housing and Regeneration, Growth Planning and Housing Contact details: sneshati@westminster.gov.uk

1. Executive Summary

- 1.1 Westminster City Council has embarked on a major estate regeneration programme at Church Street, which plays an essential part in the wider commitment of delivering quality affordable

housing, growth and tackling economic deprivation and social disadvantages in the Church Street area

- 1.2 On 22 May 2019, the 'Church Street: Sites A, B and C Preferred Way Forward' report was submitted to the Cabinet Member for Finance, Property and Regeneration. The report set out four options for bringing forward the regeneration of Sites A, B and C. On 6 June 2019 the Cabinet Member approved option 3 (partial redevelopment) as the 'Preferred Way Forward' to progress Sites A, B and C, and Church Street market.
- 1.3 The scheme is now underway, and the Council is currently in the process of proactively obtaining vacant possession through voluntary negotiations with leaseholders on the first site of the programme, Site A, with the aim of commencing demolition works in 2022.
- 1.4 To achieve vacant possession and commence the demolition and construction works for the new homes, the Council needs to commence negotiations, which will include in some cases, offers of compensation, with the commercial property tenants who are affected by the proposed redevelopment. This report seeks approval from the Cabinet Member for officers to commence negotiations with the relevant affected business tenants within Site A and proceed with the purchase of these commercial units, in order to vacate the site for the required redevelopment works.

2. Recommendations

- 2.1 That the Cabinet Member for Finance, Property and Regeneration:

(a) authorises officers in consultation with the Executive Director of Finance and Resources to enter into formal negotiations, including offers of compensation where applicable, with the commercial property tenants on Sites A, with the view of obtaining vacant possession and where appropriate to acquire in consultation with the Executive Director of Finance and Resources, all relevant commercial property interests by agreement at open market value together with compensation where applicable, for which appropriate budgetary provisions have been made;

and

(b) authorises officers in consultation with the Executive Director of Finance and Resources to take any property asset management actions as may be necessary, including terminating, varying and/or granting new leases, to achieve vacant possession of commercial property interests on Site A.

3. Reason for Decision

- 3.1 If approved the decisions requested in this report will:

- Enable the start of formal negotiations with the commercial property tenants at Site A, as appropriate, and the undertaking of all necessary commercial property conveyancing

including compensation and settlements where appropriate, with the aim of achieving vacant possession of all commercial property interests in readiness for redevelopment.

4. Background

- 4.1 Alongside the residential leaseholders and secure tenants who occupy blocks on Site A are 13 commercial property tenants, who will need to vacate for the Council to achieve vacant possession and commence redevelopment works.
- 4.2 In February 2020, officers wrote to and visited each Site A commercial property tenant, explaining the Church Street regeneration plans.
- 4.3 The Council officers now seeks to start formal negotiations with the affected commercial tenants so they have sufficient time and opportunity to plan ahead, focussing on Site A.
- 4.4 It is recommended that the Cabinet Member authorises officers to commence negotiations with Site A commercial property interests, where appropriate, to allow the affected businesses opportunity to engage and work voluntarily with the Council.

5. Financial Implications

For financial implications please refer to Appendix A.

6. Legal Implications

In agreeing to the recommendations in this report these legal implications apply:

- 6.1 The Council has a general power of competence under section 1 of the Localism Act 2011. This is the power to do anything an individual can do provided it is not prohibited by other legislation.
- 6.2 There are various mechanisms for terminating a commercial property interest and these processes will differ depending on the terms of the lease or interest and on what basis a party or the parties seek to terminate and when. A business tenancy protected by the Landlord and Tenant Act 1954 (“LTA 1954”) will not terminate automatically at the end of the contractual term, the tenancy will continue under section 24(1) of the LTA 1954, effectively on similar terms until it is terminated under one of the grounds specified by the LTA 1954.

7. Equality Act 2010

7.1 The Equality Act 2010 requires public authorities to have due regard to the need to eliminate discrimination and advance equality of opportunity. The Council must take into account its wider public sector equality duty under section 149 of the Equality Act 2010 when making decisions.

7.2 The Council has conducted an Equality Impact Assessment (as attached at Appendix B) and needs to pay due regard to its findings when making subsequent decisions.

BACKGROUND PAPERS:

Appendix A:

For individual Cabinet Member reports only

For completion by the Cabinet Member for Finance, Property and Regeneration

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: _____

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

Signed

Cabinet Member for Finance, Property and Regeneration

Date

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(s):

.....
.....

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, the Executive Director of Finance and Resources, and, if there are human 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.