

WESTMINSTER CITY COUNCIL

STATEMENT OF DECISION

SUBJECT: LUTON STREET AGREEMENT FOR LEASE

Notice is hereby given that the Cabinet Member for Housing, Regeneration, Business and Economic Development and the Cabinet Member for Finance and Corporate Services have made the following executive decision on the above mentioned subject for the reasons set out below.

Summary of Decision

1. That this report be exempt from disclosure by virtue of the Local Government Act 1972, Schedule 12A Part 1, paragraph 3 (as amended), in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
2. That the Cabinet Member for Housing, Regeneration, Business and Economic Development and the Cabinet Member for Finance and Corporate Services agreed to delegate authority to the Director of Housing and Regeneration in consultation with the Head of Development and Tri-borough Director of Legal Services:
 - To enter into the Agreement for Lease of the whole site, and;
 - To dispose of a 250-year lease of the private units only, to the developer Bouygues Development (UK) Ltd (also known as Linkcity) to develop the Luton Street site, in line with the agreed plans.
3. That the Cabinet Member for Housing, Regeneration, Business and Economic Development and the Cabinet Member for Finance and Corporate Services noted that, subject to receiving an approved planning consent, a stopping up order will be required at Capland Street to facilitate the development (as set out in the plan attached to appendix 3 of the report).
4. The Cabinet Members are asked to note the permitted deductions from the land value as set out in the table in section 2.4 of the report.
5. That the Cabinet Member for Housing, Regeneration, Business and Economic Development and the Cabinet Member for Finance and Corporate Services noted that taking into account other offerings as part of the scheme, the total offer for the land at tender as set out in the table in section 2.4 of the report and that this offer has since been revised down to the amount as set out in the report to account for permitted deductibles.
6. That the Cabinet Member for Housing, Regeneration, Business and Economic Development and the Cabinet Member for Finance and Corporate Services noted that the revised land value does not include the cost of construction for the affordable homes for which WCC are paying an amount per unit as set out in the report in subsidy.

7. That the Cabinet Member for Housing, Regeneration, Business and Economic Development and the Cabinet Member for Finance and Corporate Services noted that it is anticipated that the Base Case, which will present the final commercial position for the scheme and outline Westminster City Council's final financial commitment to the scheme, will be prepared and agreed in c.10 weeks.
8. That the Cabinet Member for Housing, Regeneration, Business and Economic Development and the Cabinet Member for Finance and Corporate Services noted the benefits to Westminster City Council as set out in the report.
9. That the Cabinet Member for Housing, Regeneration, Business and Economic Development and the Cabinet Member for Finance and Corporate Services approved, in principle, the use of s203 Housing Act 2016 (formerly s237) to override rights of light, in relation to this development, that cannot be dealt with by compensation and Deed of Release subject to a separate paper to Cabinet authorising the detailed negotiations and the final approval to use s203.powers and noted that a stopping up order will also be required for Capland Street.
10. That the Cabinet Member for Housing, Regeneration, Business and Economic Development and the Cabinet Member for Finance and Corporate Services approved the allocation from the Council's Affordable Housing Fund for the amount as set out in the report to purchase the affordable housing properties from this development.

Reasons for decision

1. It had been assumed that the Council needed to enter into an exchange of letters confirming that the heads of terms for the AfL were agreed. This is no longer the case and officers can confirm that the developer has commenced their 12-week Stage 3 design and cost exercise, which commits the developer to significant expenditure. This commenced on the 20th July 2016 and is due to finish in October 2016.
2. These works have been progressed at the developer's risk but on the understanding that the Council and developer are working together to agree and finalise the appendices for the Agreement for Lease within the next 4 weeks. Once agreed and subject to the Cabinet Members' decision to proceed, the AfL will be ready for signature in late August 2016.

**Charlie Parker, Chief Executive,
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Publication Date: 20 September 2016

Implementation Date: 27 September 2016, 5pm

Reference: CMfHRBED/2016-2017/06 and CMfFCS/2016-2017/16