

# WESTMINSTER CITY COUNCIL

## STATEMENT OF DECISION

**SUBJECT: WEST END GATE TRANSFER OF 37 INTERMEDIATE RENT UNITS TO WESTMINSTER BUILDS AND MANAGEMENT CASE.**

Notice is hereby given that Cabinet Member for Communities and Regeneration, Cabinet Member for Finance and Smart City , Cabinet Member for Communities and Regeneration, Cabinet Member for Finance and Smart City, has made the following executive decision on the above mentioned subject for the reasons set out below.

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### 1. Recommendations

1.1. That Appendix [1] and [2] of this report be exempt from disclosure by virtue of the Local Government Act 1972, Schedule 12A Part 1, paragraph 3 (as amended), in that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information).

1.2. That the Cabinet Member for Communities and Regeneration:

1.2.1. Approves the disposal of 37 intermediate rent homes at West End Gate by the Council to Westminster Housing Investments Limited (“WHIL”) for £9.1m on the terms set out in Appendix 1 of this report;

1.2.2. Delegates authority to the Executive Director of Growth, Planning and Housing to approve and authorise any and all legal documentation that may be required to facilitate the recommendation in 2.2.1, in one or more transactions;

1.2.3. Delegates authority to the Executive Director of Growth, Planning and Housing to approve and to authorise the Housing Management Services Agreement, subject to agreed terms, between the Council and WHIL as set out in section 7 of this report and to approve the necessary legal documentation to be executed on the Council’s behalf thereto; and

1.2.4. Delegates authority to Executive Director of Growth, Planning and Housing to approve and to authorise entry into a deed of variation (or any future deeds of variation in relation to the site) by the Council as a landowner to the planning agreement to enable the intermediate housing units to be transferred to WHIL.

1.3. That the Cabinet Member for Finance and Smart Cities:

- 1.3.1. Approves for the general fund to invest £9.1M into WHIL consisting of £5.915M of debt and £3.185M of shareholder loans to fund the purchase and associated costs; and
- 1.3.2. Delegates authority to the Executive Director of Finance and Resources to agree final detailed terms with WHIL in respect of the investment and entering into all related legal agreements including loan documentation.

## **2. Reasons for Decision**

- 2.1. Intermediate rent housing once built, cannot be held efficiently in the HRA. This is because the Council is unable to grant assured shorthold tenancies and the Council tenancy agreement always includes a right to buy. Therefore, an option is for the Council to dispose of intermediate units to a party who can arrange for appropriate intermediate tenure tenancies, such as a registered provider. It is considered preferable for the Council to consider disposing of these types of units to WB, ensuring the long term value of the homes is retained within the Council's group. This is why the disposal to WHIL is proposed.
- 2.2. To enable the acquisition by WHIL to proceed, it is proposed the Council provides loans to WHIL covering the acquisition price and capitalised costs associated with the acquisition.
- 2.3. As the intermediate rent housing is already owned by the Council under leases, this means there is an additional requirement to seek freeholder consent. The Council and WHIL as the proposed purchaser also need to consider the section 106 requirements around disposal.

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### **Summary of Decision**

### **Reasons for Decision**

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**Publication Date:** 19 October 2021

**Implementation Date:**

**Reference:**