

# WESTMINSTER CITY COUNCIL

## STATEMENT OF DECISION

**SUBJECT:      PARSON NORTH**

Notice is hereby given that , 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.

(  
Transferring 9 intermediate homes from Parson North Development to Westminster Builds.  
)

### Summary of Decision

#### 1. Recommendations

- 1.1. That Part B 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 it contains information relating to the financial or business affairs of any particular person (including the authority holding).
- 1.2. That the Cabinet Member for Communities and Regeneration:
  - 2.2.1 Notes Westminster Builds' Board decision of 4th November 2021 for the Company to acquire and then rent the 9 Intermediate rent homes at Parsons North.
  - 2.2.2 Delegation to the Executive Director of Growth Planning and Housing to agree on the terms and approval to enter into the Management Agreement on behalf of the Council to provide management services to the Company with approval to the Director of Law to facilitate and enter any legal documentation thereto.
  - 2.2.3 Approves a S106 modification application to be submitted to the local planning authority to enter into a new Unilateral Undertaking which will enable the Council to transfer the 9 Intermediate Rent Homes to Westminster Builds. As the Council cannot contract with itself, any variations required will be incorporated into the new Unilateral Undertaking rather than a deed of variation.
  - 2.2.4 To delegate the authority to approve and enter into any Deed of Variation and legal documentation enabling the recommendation in 2.3.2 above to the Executive Director of Growth Planning and Housing.

- 1.3. That the Cabinet Member for Communities and Regeneration in consultation with the Cabinet Member for Housing:
  - 2.3.1 Approves for the Council to dispose of the 9 Intermediate Rent homes at Parson's North to its subsidiary Westminster Housing Investments Limited (WHIL) for a consideration equal to its market value as per RICS Red Book valuation by way of a 125-year lease at a peppercorn rent.
  - 2.3.2 Delegates the authority to approve and enter into any legal documentation ancillary to or required to facilitate the recommendation in 2.3.4 above to the Executive Director of Growth, Planning and Housing, the Executive Director of Finance and Resources and the Director of Law where appropriate.
- 1.4. That the Cabinet Member for Finance and Smart Cities:
  - 2.4.1 Approval for the general fund to invest £2.345m into Westminster Builds, consisting of £1.524m of Debt and £0.821m of shareholder loans.
  - 2.4.2 Delegation of the final negotiation of detailed terms and execution of financial documents to Executive Director of Finance and Resources.
  - 2.4.3 Delegates the authority to approve and enter into any indemnities if necessary as part of the disposal.

## **2. Reasons for Decisions**

- 2.1. Westminster Builds (WB) is the trading name for the Council's subsidiary Westminster Housing Investments Limited (WHIL) and WHIL's subsidiary Westminster Housing Developments Limited (WHDL). WHIL is the active party in the proposed transaction and therefore references within this report to WB can be interpreted as references to WHIL.
- 2.2. Intermediate Rent housing cannot be efficiently held in the HRA and would normally be sold to a registered provider such as Westminster Community Homes. As WB's business plan sets out it is preferable for the Council to instead sell Intermediate homes to WHIL, retaining the long-term ownership within the Council group.
- 2.3. The drafted S106 for the development was completed in November 2019 and its current form does not enable WB to own and operate homes and therefore requires amendments Officers have had informal discussions with the local planning authority as to suitable amendments to the s.106

agreement and an application will be made to the local planning authority to make a variation to s.106 if the recommendation with this report is approved.

- 2.4. In addition to the approval for the Council to sell its assets, authority is required from the Council, acting as WB's shareholder, to authorise the company to acquire the homes. This acquisition is funded by debt and shareholder loans from the Council.

### **Reasons for Decision**

**Stuart Love, Chief Executive,  
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**Publication Date:** 18 January 2022

**Implementation Date:**

**Reference:**