

# WESTMINSTER CITY COUNCIL

## STATEMENT OF DECISION

**SUBJECT: REVISED LEASE TO BE GRANTED ON COMMERCIAL PREMISES  
AT INGESTRE COURT, WC2**

Notice is hereby given that Cabinet Member for Housing Services , Cabinet Member for Housing Services, has made the following executive decision on the above mentioned subject for the reasons set out below.

Authority to Finalise and Complete new lease

### **Executive Summary**

1. Officers seek delegated authority to complete a revised lease to Huckletree (Soho) Limited ('Lease'), for the four floors of office accommodation at Ingestre Court and related lease documentation.
2. The original intention was to complete a letting in 2018 following the previous granting of an Agreement for Lease, as approved by the then Cabinet Members for Business, Culture & Heritage, Finance, Property & Corporate Services, and Housing under a Decision Notice dated 21 December 2017
3. The proposed Lease fully reflects the current and improved rental value for the subject space, well in excess of the rent originally agreed and once granted will regularise the current occupation. In addition, a substantial additional "arrears" payment has been negotiated to reflect the period of occupation by Huckletree up to the commencement date of the Lease.
4.
  - 4.1 An agreed form of licence for alterations was attached to the agreement for lease. The licence records the council's approval to Huckletree carrying out fitting out works at the property in a good and workmanlike manner and requires them to obtain all necessary consents such as planning permissions and buildings regs approvals. The licence also obliges the tenant to remove their works at the end of the term of the lease and reinstate the property to the reasonable satisfaction of the landlord.
  - 4.2 Under the agreement for lease the tenant was required to procure a warranty in favour of the council from the building contractor who was to carry out the agreed works to the property and from the certifying officer who was to issue the certificate of practical completion confirming that the works to the property had been

completed. The warranties would provide a direct obligation from the contractor/certifying officer in favour of the council. In the event that there were defects in the works or it were to be considered that the certifying officer had incorrectly certified that the works had been completed then the council would have a direct contractual remedy against the contractor or certifying office through the warranty. In reality, the warranties are likely to be of relevance only if the lease to Huckletree were to come to an early end. While the lease to Huckletree is in existence they are responsible for keeping the property in good repair.

4.3 A summary of the warranties being made available is set out in Appendix 1.

## **2. Recommendation**

2.1 That Appendix 1 be declared exempt from publication under paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended), as Appendix 1 contains information which should be exempt from publication in that it contains information relating to the business and financial affairs of the authority and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2.2 The Cabinet Member is recommended to:

- (1) Approve the grant of the lease to Huckletree (Soho) Limited (guaranteed by Huckletree Limited) at Ingestre Court: and
- (2) Delegate authority to the Executive Director of Finance and Resources to finalise and to approve the terms of all the other related legal agreements at Ingestre Court..

## **3. Reasons for Decision**

The key reasons and rationale for supporting this decision are as follows:

- (1) The grant of the Lease will enhance the income stream from the subject investment property and represents market value for the Council when considered alongside prevailing market levels as opposed to those which existed when terms were originally negotiated in 2017.
- (2) The proposed additional "arrears" payment will cover all income that would have been due from 2018 for the period up to the commencement date of the Lease.
- (3) Under the Lease the likely total rent received for the period 2018 to 2033 will significantly exceed that which would have previously been payable.
- (4) Negotiations on behalf of the Council have been undertaken by Avison Young with regard to current market evidence in terms of prevailing rental

values to ensure the Council achieves market value in accordance with the Act.

**Stuart Love, Chief Executive,  
Westminster City Hall,  
64 Victoria Street  
LONDON SW1E 6QP**

**Publication Date:**

**Decision Date:** 08 March 2024

**Implementation Date:**

**Reference:**