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| <b>Decision Maker:</b>    | Cllr Paul Swaddle, Cabinet Member for Finance and Smart City               |
| <b>Date:</b>              | 25 March 2022  |
| <b>Classification:</b>    | For general release  |
| <b>Title:</b>             | Flood prevention works in WC2H   |
| <b>Wards Affected:</b>    | St. James's  |
| <b>Key Decision:</b>      | No   |
| <b>Financial Summary:</b> | There are no financial costs incurred as part of this leasing transaction. |
| <b>Report of:</b>         | Gerald Almeroth, Executive Director for Finance and Smart City             |

## 1. Executive Summary

- 1.1. Officers are proposing to grant a supplemental lease to UK Power Networks (UKPN) to incorporate a small parcel of land to be included with the original lease to UKPN to allow flood prevention works to a substation in Leicester Square. The site sits in the General Fund.
- 1.2. The Council has worked with UKPN to enable the replacement of key infrastructure in Leicester Square.
- 1.3. This paper will seek approval for to grant the supplemental lease to UKPN.

## 2. Recommendations

- 2.1. The Cabinet Member for Finance and Smart City approves; the grant of a supplemental lease for a small parcel of land in WC2H 7NA to UKPN for circa 967 years at a peppercorn rent. See Appendix A for location.
- 2.2. Authorises the Director of Law to complete any legal agreements to facilitate recommendation 1 above.

### **3. Reasons for Decision**

- 3.1. Due to the important nature of the substation, it is recommended that this lease is created to improve the protection of supply of power to the West End economy.

### **4. Background, including Policy Context**

- 4.1. UKPN occupy a substation in Leicester Square located below the TKTS Ticket Booth.
- 4.2. The lease on the substation was granted in 1989 for a term of 999 years at a peppercorn rent with Westminster City Council (WCC) receiving a premium upon commencement.
- 4.3. The original transformers within the substation were nearing the end of their useable life and Officers have been working with UKPN to facilitate their replacement.
- 4.4. Replacement works commenced on 2<sup>nd</sup> November 2020 and this major project involved removal of the upper surface and existing transformers with replacement transformers being craned into place. It is expected that UKPN will complete the works by the middle of 2022.
- 4.5. A ventilation grill located at the rear of the Ticket Booth is crucial for the efficient running of the transformers.
- 4.6. UKPN would like to carry out additional flood prevention works that fall outside of their current demise to protect the transformers.
- 4.7. The works are minimal, essentially adding an upstanding to a kerb with additional seating to match the existing within Leicester Square.
- 4.8. It is proposed that the area where the works will take place are documented via a supplemental lease mirroring the terms of their existing lease that expires in 2988.
- 4.9. In September 2021 UKPN were granted planning permission for their intended works under planning reference 21/05157/FULL.

### **5. Financial Implications**

- 5.1. There will be no contribution from the council to the works that are being completed. No income is received from the lease, and there will be no change to this under the current proposal. Associated legal fees for this supplemental lease are being covered by UKPN. This will therefore have no financial implications to the council.

### **6. Legal Implications**

- 6.1. Local authorities are given powers under section 123 of The Government Act 1972 to dispose of land in any manner they wish, including sale of their freehold

interest, granting a lease, or assigning any unexpired term on a lease, and the granting of easements. The only constraint is that a disposal must be for the best consideration reasonably obtainable (except in the case of short tenancies). Anything less than best value will require Secretary of State consent unless the difference between the unrestricted value of the interest to be disposed of and the consideration accepted ("the undervalue") is £2,000,000 (two million pounds) or less.

- 6.2. The report notes that disposal of the land will be at peppercorn rent in line with the same terms as the original sub-station granted in 1989. Sub-station leases are usually at a peppercorn or nominal rent and are industry standard and are often requested by the utility company for their developments/works. The supplemental lease will be in line with the original lease to the site and therefore the covenants will mirror that lease and restrict the use of the land to just a sub-station. As such, the peppercorn rent is deemed the best consideration given that the land will not be able to be used for anything other than for the sub-station site. In addition to this, the renewal of the sub-station plant is essential to ensure continuing power supply to the West End and thereby contributing to the environmental, social, and economic running of the area.

## **7. Consultation**

- 7.1. As part of the planning application UKPN consulted with WCC Highways regarding their proposed works and received confirmation that the department had no objections to the works. The works outlined in this paper subsequently achieved planning permission.

**If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:**

Ian McAuley – [imcauley@westminster.gov.uk](mailto:imcauley@westminster.gov.uk)

## **APPENDICES**

### **Appendix A – Location Plan**

*NB: For individual Cabinet Member reports only*

For completion by the **Cabinet Member** for Finance and Smart City

**Declaration of Interest**

I have no interest to declare in respect of this report

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
NAME: Councillor Paul Swaddle, Cabinet Member for Finance and Smart City  
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State nature of interest if any

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*(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 entitled

Flood prevention works in WC2H and reject any alternative options which are referred to but not recommended.

Signed .....

Cabinet Member for Finance and Smart City

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:  
.....  
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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, City Treasurer and, if there are 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.