



City of Westminster

# Cabinet Member Report

**Meeting or Decision Maker:**

Cabinet Member for Finance and  
Council Reform

**Date:**

10 October 2023

**Classification:**

General Release

**Title:**

Lease to The Electricity Network Company  
Limited for an easement to lay power  
cables across WCC owned land at 9  
Woodfield Road, London W9

**Wards Affected:**

Westbourne

**Policy Context:**

Fairer Council

**Key Decision:**

No

**Financial Summary:**

The easement cuts across a small  
section of Council land which is due to  
be leased to Taxi House Limited under  
an Agreement for Lease for 999 years  
at a peppercorn rent. Neither the  
Council or Taxi House Limited will  
receive a rent for the easement which is  
normal for leases arising from a request  
for a power upgrade.

**Report of:**

Gerald Almeroth, Executive Director,  
Finance and Resources

## **1. Executive Summary**

- 1.1 This Cabinet Member Report relates to a proposal for the Council to enter into a lease with The Electricity Network Company Limited, granting the tenant an easement to lay power cables across land within WCC's ownership at 9 Woodfield Road, London W9.

## **2. Recommendations**

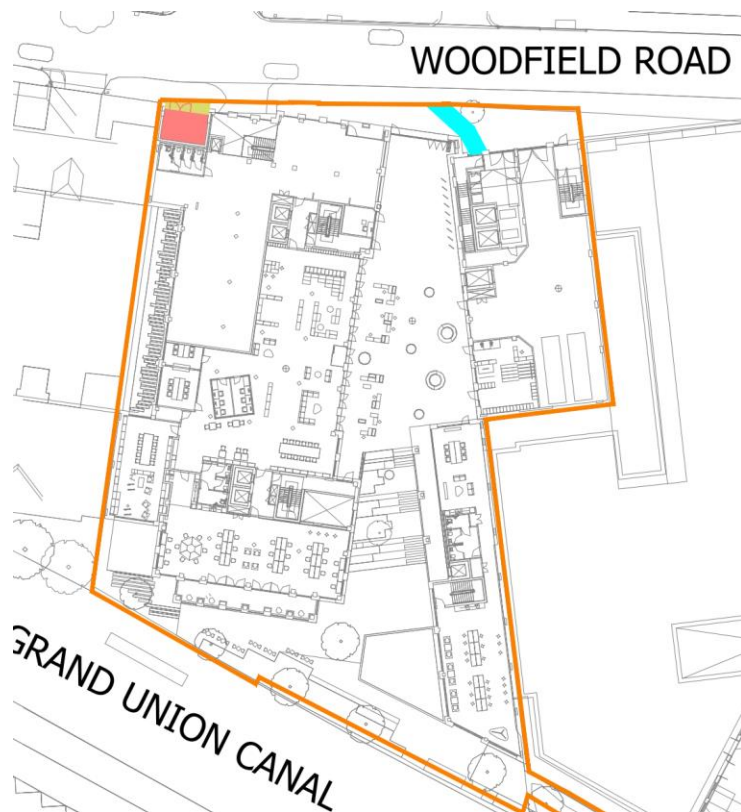
- 2.1 That the Cabinet Member for Finance and Council Reform approve the disposal of a leasehold interest on the terms in Appendix 1.

## **3. Reasons for Decision**

- 3.1 Under the Council's constitution Cabinet Member approval is required to enter into a lease of more than 25 years (the proposed lease term in this case is 99 years, subject to a tenant option for a 60-year extension).

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

- 4.1 The Council have a freehold interest in a small street cleansing depot at 9 Woodfield Road, London W9. This asset is held in the general fund. The depot is the subject of a development agreement/agreement for lease, (approval which was given in August 2020), whereby the Council are due to be granted a 999 year lease of a new depot in an adjoining hotel development, subject to the Council granting a 999 year lease of the existing depot to the developer. The existing depot will then be demolished and incorporated into phase 2 of the developer's scheme.
- 4.2 The Council's new depot is nearing completion with an estimated practical completion date of 22 November 2023. The exchange of leasehold interests between the Council and the developer is due to take place 20 days post completion of the depot.
- 4.3 The subject lease relates to the new development at Woodfield Road of which the Council's existing and new depot premises form part. The developer, Taxi House Limited, requires an enhanced power supply to support their mixed-use development. This comprises a new substation in the northwest corner of the site (on land owned by the developer) and a mains cable crossing the north east section of the development site (on land owned by the Council).
- 4.4 To enable this power upgrade, the developer and the council are required to enter jointly into a lease with the power network provider, The Electricity Network Company Limited. The developer is the Landlord under the lease and grants consent for the substation. The Council are the Grantor under the lease and grant consent for an easement in relation to the power cable.
- 4.5 The substation is coloured pink and the easement coloured blue in the lease plan extract below :-



- 4.6 The lease plan is based on the plan of the proposed development. It does not therefore show the Council's existing depot or the extent of the Council's freehold ownership. The blue cable easement does however pass through land within the Council's freehold title of 9 Woodfield Road.
- 4.7 The lease is on standard terms for a substation. It is for a term of 99 years, with an option to extend for a further 60 years. No premium or rent is payable and there is provision for the power infrastructure to be relocated in the event of future redevelopment.
- 4.8 The impact on the Council's interest is negligible. The easement cuts across the northeast corner of the Council's land. This land will comprise pavement space under the proposed scheme of development. From November 2023 onwards, the Council will have granted a 999 year peppercorn lease in this land to the developer, by operation of an extant Agreement for Lease. The Council therefore has no measurable commercial interest in the affected land or practical ability to make use of it, in virtual perpetuity.
- 4.9 As indicated, the easement is to enable a mains cable to be linked into the new hotel development immediately to the east of the Council's landholding. The Council's new depot is located on the part ground and basement floors of this development and the connection is therefore necessary to enable practical completion of the Council's new depot to be issued.

## **5. Financial Implications**

- 5.1 Under the terms of the Agreement for Lease in relation to the Council freehold, the commercial interest in the land will pass to the developer by virtue of the 999 year peppercorn lease from November 2023 onwards. WCC therefore have no current measurable commercial interest in the land across which the easement will pass. Neither the developer or the Council will receive a rent under the subject lease which is usual for a lease in relation to a power upgrade/substation. The lease therefore has no financial implications for the Council

## **6. Legal Implications**

- 6.1 Section 1 of the Localism Act 2011 provides the Council with the power to do anything an individual may do, provided it is not prohibited by legislation and subject to public law principles ("general power of competence"). A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others.
- 6.2 In addition to this, local authorities are given powers under the Local 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), unless the Secretary of State consents to the disposal (section 123, LGA 1972).
- 6.3 The report confirms that the granting of a long lease of the easement is necessary for the provision of power supply to the site and is an essential part of the scheme. There is no other suitable use for this part of the site that would prevent the proposed option to be the most favourable.
- 6.4 This lease is to be excluded from the Landlord and Tenant Act 1954 which means that the Council will not be obliged at the expiry of the term to offer a new lease to the Tenant. Protections have also been put in place within the lease to enable early termination for the purposes of redevelopment.

## **7. Carbon Impact**

- 7.1 On the basis that this lease is necessary to deliver the new Council street cleansing depot which will be more EPC compliant than their existing facility, there is an indirect benefit in entering into this agreement

## **8. Equalities Implications**

8.1 There are no direct equalities impacts arising from this decision.

## 9. Consultation

9.1 A copy of this Cabinet Member Report was circulated to Ward Members on Thursday 5 October 2023 for their information.

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

Rupert Grass, [rgrass@westminster.gov.uk](mailto:rgrass@westminster.gov.uk)

## APPENDICES

Appendix 1 – Details of Easement

For completion by the **Cabinet Member for Finance and Council Reform**

**Declaration of Interest**

I have no interest to declare in respect of this report

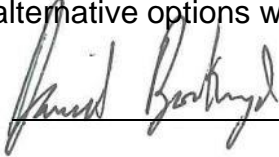
Signed:  Date: 10 October 2023  
NAME: **Councillor David Boothroyd**

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 **Lease to The Electricity Network Company Limited for an easement to lay power cables across WCC owned land at 9 Woodfield Road, London W9** and reject any alternative options which are referred to but not recommended.

Signed: 

Cabinet Member for Finance and Council Reform

Date: 10 October 2023

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.