


# Executive Decision Report

<b>Decision maker</b>	Date of Cabinet: 21 March 2013	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
<b>Forward Plan details</b>	Date decision entered onto Forward Plan: 5 January 2013	
	Forward Plan reference: 03931/13/H/A	
<b>Report title</b>	Former Men's WCs, Sloane Square, SW1	
<b>Ward</b>	Royal Hospital	
<b>Reporting officer</b>	Michael Clark Director for Corporate Property and Customer Services	
<b>Key decision</b>	Yes	
<b>Access to information classification</b>	Public (Part A) with Confidential/Exempt (Part B) Appendix Information relating to the financial or business affairs of any particular person (including the authority holding that information)	

## **1 EXECUTIVE SUMMARY**

- 1.1 This report seeks the Cabinet's approval to the Council to let the property on a new lease to the Cadogan Estate.
- 1.2 This property is vested in the General Fund.
- 1.3 This decision affects Royal Hospital Ward.
- 1.4 Confidential/exempt information is contained in the Confidential Part B Appendix as it details information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **2 RECOMMENDATIONS**

- 2.1 The Cabinet is recommended to approve the letting of the property on a new lease to the Cadogan Estate.
- 2.2 This letting represents the best consideration reasonably obtainable for the property.

## **3 REASONS FOR DECISION**

- 3.1 The WCs have been permanently closed since 1995 and have since been declared surplus to requirement.
- 3.2 The Council has on-going repairing liabilities for the vacant property. By letting the property to the Cadogan Estate this obligation passes to them as the Tenant.
- 3.3 The Council can secure income from this letting, without exposing itself to increased management costs nor capital expenditure, and can pass on the risk of voids in rental income to the Tenant, who will in turn sub-let the property and take on these costs and risks.
- 3.4 The premises are surplus to requirement and thus the commercial letting in this report would fulfil the Council's objectives in maximising revenue from the investment portfolio.

## **4 BACKGROUND**

- 4.1 The former men's WCs have a floor area of approximately 30.59 sqm (329 sqft) and are located on the western side of Sloane Square Central Island.
- 4.2 Built in the 1950s, the facilities are constructed at basement level with stairs accessed from street level.

- 4.3 The WCs have been permanently closed since 1995 and have since been declared surplus to requirements due to the success of the 'Autoloo' in the vicinity.
- 4.4 Corporate Property has undertaken stripping out works to remove the former WC fittings, as well as ensuring the access is secure whilst the property is vacant.

## **5 PROPOSAL AND ISSUES**

- 5.1 The property has been previously marketed by our agents and interest shown from a wide variety of occupiers and business uses. However, the viability of such businesses is questionable, whilst the need for planning consent for a change of use for many of the proposals raises further reason to disregard many of the potential tenants.
- 5.2 The proposal to let the property to the Cadogan Estate would allow them to redevelop the former men's WCs and would complement the existing Royal Court Theatre ladies WC development, adding an additional attraction to Sloane Square.
- 5.3 The former ladies WC are let to the Cadogan Estate on a lease expiring in April 2057.
- 5.4 The ability to deliver a significant improvement in the street scene whilst also not compromising the amenity of the surrounding area and the square is crucial to any letting. By undertaking a letting to the Cadogan Estate, the Council can be as assured as it can be that the Tenant will be sympathetic to the environment around the Square.
- 5.5 The Council would work with the Cadogan Estate to ensure that the aesthetics of the square were not compromised and that the listed structures; the Venus Fountain which was Grade 2 Listed in 2006 and the War Memorial which was Grade 2 Listed in 2005, continued to be the most prominent structures in the square.

## **6 OPTIONS AND ANALYSIS**

- 6.1 A letting to a Tenant who would run their own business from the property was considered. However, the premises are in a poor state of repair, and substantial capital works would be required to bring the premises up to the required standard.
- 6.2 By letting the premises to the Cadogan Estate, they will take on the costs of refurbishing the property to bring it up to a standard required to let the property on the open market.
- 6.3 They will also take on all marketing costs and risks, and will continue to pay rent to the Council regardless of whether they have been able to sub-let the property or not.

## **7 CONSULTATION**

- 7.1 The Cabinet Member for Housing and Property has been consulted and concurs with the recommendation in the report.

## **8 EQUALITY IMPLICATIONS**

- 8.1 There are no Equality implications.

## **9 PROCUREMENT PROCESS**

- 9.1 There has been no procurement.

## **10 PLANNING IMPLICATIONS**

- 10.1 There are no planning implications.

## **11 LEGAL IMPLICATIONS**

- 11.1 The Director of Law has been consulted and comments that the legal implications are set out in the report.

## **12 FINANCIAL AND RESOURCES IMPLICATIONS**

- 12.1 The Group Finance Manager, Corporate Services, has been consulted and comments that the financial implications are set out in the report and in the confidential Part B Appendix.

Michael Clark  
**Director for Corporate Property and Customer Services**

Nicholas Holgate  
**Town Clerk and Executive Director of Finance**

**Local Government Act 1972 (as amended)**

**Background papers used in the preparation of this report: None.**

### **Contact officer**

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