


# Executive Decision Report

<p><b>Decision maker</b></p> <p><b>Forward Plan details</b></p>	<p>Date of Cabinet: 21 March 2013</p> <p>Date decision entered onto Forward Plan: 06 February 2013</p> <p>Forward Plan reference: 03957/13/K/A</p>	 <p>THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA</p>
<p><b>Report title</b></p>	<p>Walnut Tree House Garage, Tregunter Road, SW10, and Holmefield House Garage, Hazelwood Crescent, W10</p>	
<p><b>Ward</b></p>	<p>Golborne and Redcliffe</p>	
<p><b>Reporting officers</b></p>	<p>Michael Clark Director for Corporate Property and Customer Services</p> <p>Laura Johnson Director of Housing</p>	
<p><b>Key decision</b></p>	<p>Yes</p>	
<p><b>Access to information classification</b></p>	<p>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)</p>	

## **1. EXECUTIVE SUMMARY**

- 1.1 On the instruction of the Kensington & Chelsea Tenant Management Organisation (TMO), we seek the Cabinet's approval for the Council to approve terms for the commercial letting of two underutilised garages at the respective addresses above to a self storage operator Fortbox Limited.
- 1.2 This decision is being taken to Cabinet as the value of the decision is more than £250,000.
- 1.3 The two sites are vested in the Housing Revenue Account.
- 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 two sites - Walnut Tree House Garage, Tregunter Road, SW10, and Holmefield House Garage, Hazelwood Crescent, W10, under the terms listed in confidential part B.

## **3. REASONS FOR DECISION**

- 3.1 The new lettings would fulfil the Council's aim in reducing voids in the property portfolio and increasing income for the Housing Revenue Account.

## **4. BACKGROUND**

- 4.1 Please see confidential part B Appendix.
- 4.2 Approval was previously granted by the Cabinet Member in July and September 2012 for the basement garages at Holmefield House, and Walnut Tree House respectively, to be marketed for use as self-storage.

## **5. PROPOSAL AND ISSUES**

- 5.1 Please see confidential part B Appendix.

## **6. OPTIONS AND ANALYSIS**

- 6.1 You may choose not to approve the terms of the new lettings at Holmefield House and Walnut Tree House and instruct me to renegotiate. However, I do not believe better terms could be achieved by negotiation in the current economic climate with the property in its current condition. We do have interest from two other similar use type operators however the terms outlined in confidential part B reflect the agreement most beneficial to the Council in the long term.

6.2 The Council could choose to let the premises in their existing condition to Fortbox Limited and in turn significantly increase the income for the Housing Revenue Account.

## **7. CONSULTATION**

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

7.2 The TMO brought forward these proposals and consulted residents of both estates in 2012 prior requesting the Cabinet Member's approval to market the sites for use as self-storage.

## **8. EQUALITY IMPLICATIONS**

8.1 There are no equality implications.

## **9. PROCUREMENT PROCESS**

9.1 There was no formal Council procurement process in this instance.

## **10. PLANNING IMPLICATIONS**

10.1 The planning implications are set out in confidential part B Appendix

## **11. LEGAL IMPLICATIONS**

11.1 The Director of Law has been consulted and comments under the Local Government Act 1972, Local Authorities have a statutory duty to obtain the best consideration that can reasonably be obtained when disposing of property and this must therefore be considered and confirmed by officers.

11.2 Furthermore the disposal of HRA property as proposed will be subject to first obtaining the consent of the Secretary of State.

11.3 Officers may consider a lease contracted out of the security of tenure provisions of the Landlord and Tenant Act 1954 on the basis, in summary, that :

11.3.1 If the lease is not opted out of the security of tenure provisions, at the end of the term the lessee will have the right to continue the lease on the same terms and at the same rent until and if the lease is terminated in accordance with the Act; and

11.3.2 if the lease is not contracted out of the protections given by security of tenure provisions of the Act, the lessee will also have the right to apply to court for a new tenancy which can only then be opposed by the lessor on certain limited grounds, with the consequent payment

of compensation to the tenant if a lease renewal is successfully opposed.

- 11.4 Officers may also consider it prudent to impose an obligation to have any subleases opted out of the security of tenure provisions of the Landlord and Tenant Act 1954 for similar reasons as stated in 11.3 above.

## **12. FINANCIAL AND RESOURCES IMPLICATIONS**

- 12.1 The Housing Finance Manager, Housing Services, has been consulted and comments that annual income of £313,000 will arise from these proposals. The HRA Business Plan will be updated accordingly.

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

Laura Johnson  
**Director of Housing**

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

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

#### **Background papers used in the preparation of this report:**

*Previous Key Decision Reports from July and September 2012, relating to the marketing of the two sites in question were used in preparation of this report.*

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