

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD1379

Title: Wembley Additional Funding for legal fees

Executive Summary:

The GLA requires £48K additional funding for legal work that was undertaken to complete the transfers of the land surrounding Wembley Stadium to be transferred to Quintain Estates Development (QED) in accordance with a Development Agreement of 7 May 2004 with a longstop date of 7 May 2014. This had been extended a number of times in order to accommodate anomalies in the land holdings and the land has now been transferred to QED. A further transfer remains to London Borough of Brent but the terms of this have been agreed and it is unlikely to incur a great cost.

Decision:

That the Executive Director approves:

- Expenditure of £48,000 on legal service relating to Wembley Stadium land transfers.
- That this work is procured under a single source request.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.
It has my approval.

Name: David Lunts

Position: Executive Director Housing and Land

Signature:



Date:

12.8.2015

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 A Compulsory Purchase Order was confirmed in 2004 with the LDA as the 'Acquiring Authority' for a large site adjoining Wembley Stadium Station and the Chiltern Railway Line. The London Development Agency (LDA) planned to upgrade access to the Station, including provision of a new public square to improve links between the new National Stadium which was constructed in 2007 and Wembley town centre, and assemble a development site for regeneration. The project was one of a package of projects being undertaken to ensure the successful delivery of the new National Stadium and to secure benefits for the local area from that development, as well as provision of a mixed use scheme on vacant and contaminated land.
- 1.2 Land assembly using CPO powers was served in 2004 and 2007 respectively, which created a legal obligation on the LDA to compensate the affected former owners of the site British Railways Board Residuary, REI Limited and Network Rail Infrastructure Limited. The physical works, including the iconic White Horse Bridge and the Station Square, have long been completed. The remainder of the site is now largely cleared and the LDA entered into a development agreement (DA) with Wembley City Estates Ltd (a subsidiary of QED) in 2004 to secure regeneration as part of the wider Wembley City area.
- 1.3 Following settlement of the outstanding CPO claims the land is part owned by the GLA and part owned by GLAP and is due to transfer to QED imminently under the terms of a Development Agreement of 7th May 2004 which required the GLA to use all reasonable endeavours to transfer the land as soon as possible. This has been the subject of three deeds of variation and a number of deeds of extension whilst numerous outstanding matters were resolved.
- 1.4 ADD 274 outlines the complexities that have arisen with respect to enacting the land transfers, leading to a large amount of additional officer and legal work to correct historical anomalies. We have now disposed of our interest in the majority of the site as per our contractual obligations. A further transfer needs to take place to London Borough of Brent, and a consolidation of the variations to the development agreements.
- 1.5 GLA spend on legal work relating to the land transfers since the project transferred from the LDA in 2012 has been £70K comprising CPO and LDA Development budgets. We require a further £48K to conclude this matter and pay outstanding invoices. This consists of £30K outstanding contractual legal work and a further £18K for ongoing project monitoring and ad hoc legal work. This will be procured using the accompanying single source request in order to ensure continuity of service.
- 1.6 A summary of the work undertaken to bring this matter to a conclusion is included in the single source form appended to this Director's Decision.

2. Objectives and expected outcomes

- 2.1 The intended outcome has largely been fulfilled in that the land has transferred to QED in accordance with the provisions of the Development Agreement, and QED are able to progress their planning application and develop out the land. Further legal work needs to take place to enact the transfers to LBB.

3. Equality comments

- 3.1 We have considered the impact on equality considerations in this action and have concluded that, being financial in nature, there is no negative impact on those with protected characteristics.

4. Other considerations

- 4.1 A key risk to the GLA in not approving this DD is the fact that this covers retrospective spend. A key risk to the GLA in ceasing legal work was that we may have been in breach of contract.

5. Financial comments

- 5.1 The transfer of land at Wembley is the final stage of this project, which has been in train for over 10 years and to which the LDA made over £12 million of contributions.
- 5.2 Expenditure of £48,000 will be sufficient to conclude this project (of which £12,000 was spent in 2014/15) and can be funded from the budget allocated to this project for 2015/16 of £36,000.
- 5.3 This work will be procured under a single source request to retain continuity in dealing with the complex work.

6. Legal comments

- 6.1 Section 30 of the Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything which he considers will further one or more of the principal purposes of the GLA as set out in section 30(2) which are:

- i. Promoting economic development and wealth creation in Greater London;
- ii. Promoting social development in Greater London; and
- iii. Promoting the improvement of the environment in Greater London

and, in formulating the proposals in respect of which a decision is sought, officers confirm they have complied with the GLA's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people;
- consider how the proposals will promote the improvement of health of persons in Greater London, promote the reduction of health inequalities between persons living in Greater London, contribute towards the achievement of sustainable development in the United Kingdom and contribute towards the mitigation of or adaptation to climate change in the United Kingdom; and
- consult with appropriate bodies.

- 6.2 Sections 1 - 3 of this report indicate that the decision requested of the Director relates to a purpose which falls within the GLA's statutory powers.

7. Planned delivery approach and next steps

Activity	Timeline
Transfer of Land	30 th June
Completion of Consolidation Agreement	30 th August

Appendices and supporting papers:

ADD276

Single Source Request Form.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason:

In order to complete the transfers to London Borough of Brent first.

Until what date: 1/10/15

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Caroline Cameron has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Simon Powell has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M. J. Allen

Date

22.8.15

