

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD111

Title: Professional fees for the disposal of White Hart Triangle in Plumstead

Executive Summary:

As part of the on-going disposal of GLA Land and Property Ltd's (GLAP) land holdings at White Hart Triangle, GLAP requires specialist ground contamination advice in support of the sale of plot F to Crossrail. GLAP also requires external legal support during the sale process, and for future disposals and lease negotiations.

This paper seeks approval for a budget of £40,000 for professional fees associated with the disposal of current and future plots at WHT, to cover:

- the appointment of a specialist consultant to undertake a thorough remediation and site clearance analysis, including scrutiny of scenarios presented by Transport for London and Crossrail to inform the ultimate disposal consideration;
- Legal fees associated with sale of land, lease negotiation and Joint Venture contract alterations.

Decision:

The Assistant Director is asked to approve the £40,000 expenditure from the existing GLAP budget to fund this commission for professional fees in relation to the disposal of the White Hart Triangle in Plumstead.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

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: Simon Powell

Position: Assistant Director – Strategic Projects and Property

Signature:

Date:

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

1.1 White Hart Triangle is a 25 hectare employment site in Plumstead in the London Borough of Greenwich. Part of the site is owned by GLAP and part is owned by Tilfen Land Limited. In 2003, the London Development Agency (LDA), Tilfen and Greenwich Council entered into a joint-venture agreement, promoting the site for industrial development. The LDA invested substantial sums (largely funded by the European Regional Development Fund) in upgrading the road infrastructure and in partially remediating the land. Tilfen obtained outline planning permission for 1.1 million square feet of light industrial use and has obligations (and an exclusive right) to bring forward development on a speculative and design-and-build basis. GLAP and Tilfen recently varied some of the terms of the JV to allow the partnership at the site to continue for the foreseeable future.

1.2 On 20 February 2012, the LDA endorsed the decision to sell 10.425 acres of land at White Hart Triangle to Transport for London on behalf of Crossrail. The land is to be used as a railway construction site and later as a train overnighting facility. A sale price was agreed, together with Crossrail agreeing to relocate a large sewer. This sewer currently crosses the site and its routing and poor condition adversely affects the development potential of GLAP retained land.

1.3 The land being sold to Crossrail is contaminated and Crossrail have provided GLAP with a sum for remediation that is to be deducted from the land value. The principle of this deduction is agreed between the parties. GLAP requires a consultant to carry out an analysis of the Crossrail proposals in order that agreement can be reached on the appropriate deduction for remediation. This will be a one off piece of work to inform the final sale price.

1.4 GLAP also requires legal support on the sale process and to advise on the Joint Venture agreement and associated leases, both currently and in relation to future plot disposals.

2. Objectives and expected outcomes

2.1 GLAP is aiming to finalise sale documentation in November 2014, with a disposal following shortly afterwards. The advice of the consultant is crucial in establishing the sale price and allowing the asset to be disposed for market value. Legal support to the sale is needed to progress sale documentation and negotiate the form of associated documents.

3. Other considerations

- a) The Mayor has committed to finalise exits strategies for all GLAP owned sites by the end of the current Mayoralty. The advice provided by this consultant will enable the disposal of a significant plot on WHT to progress.
- b) The sale of this plot directly supports one of the Mayor's key infrastructure priorities, the construction of Crossrail.

4. Financial comments

4.1 The cost of this appointment can be met from the existing GLA Land and Property budget for 13-14 and will be managed by the Strategic Projects and Property team in Housing and Land. The final agreement to dispose of the site will be subject to Mayoral Decision.

5. Planned delivery approach and next steps

Activity	Timeline
Evaluation of remediation proposals	November 2013
Sale documents finalised	November 30th
MD authorising sale issued	December 2013
Sale of site completes	December/January 2014

Appendices and supporting papers: None

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:

Until sale is complete - commercial confidentiality.

Until what date: (a date is required if deferring) 31/01/14

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:

William Stewart has drafted this report in accordance with GLA procedures and confirms that the Finance team have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND RESILIENCE:

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

Signature:

Date: