

REQUEST FOR DIRECTOR DECISION – DD1356

Title: Disposal of Land at Dover's Corner, Rainham

Executive Summary:

The Executive Director of Housing and Land is asked to approve the disposal of GLA Land & Property's 0.15 hectare interest in land at Dover's Corner, Rainham, to the London Borough of Havering based on the agreed Heads of Terms.

Decision:

The Executive Director Housing and Land approves the transfer of GLA Land and Property's interest in land at Dover's Corner based on the agreed Heads of Terms.

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:

22/10/15

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision Required – Supporting Report

1. Introduction and Background

- 1.1 GLA Land & Property (GLAP) owns the freehold of 0.15 hectares of land at Dover's Corner on the edge of Rainham ("the site") under title EGL521583. This site transferred to GLA on 16th April 2012 under the London Thames Gateway Development Corporation (Transfer of Property, Rights and Liabilities) (Greater London Authority) Order 2012. The site was then transferred to GLAP in order to comply with the Specified Activities Order.
- 1.2 The site is located off Lamson Road in the London Borough of Havering (LBH). It is situated on the banks of Rainham Creek, directly adjacent to Dover's Corner Industrial Estate. It is vacant and comprises partial hardstanding and partial overgrown scrub.

2 Policy Context

- 2.1 Dover's Corner Industrial Estate ("the estate"), directly to the west of the site, is an operational industrial park split into eleven different ownerships. The estate is identified by LBH and the London Riverside Opportunity Area Planning Framework (OAPF) as one of a string of ex-industrial sites along the A1306 corridor which are suitable to come forward for residential development.
- 2.2 More specifically, the estate is within the OAPF's Rainham West cluster which comprises the area east of Beam Park from the former Somerfields to Rainham Creek, including the mixed uses on the north side of New Road. From west to east, the sites are Somerfield's, Suttons Industrial Park, Rainham Steel, Mudlands, Carpet Right (Havering College) and Dover's Corner Industrial Estate.
- 2.3 The Havering Employment Land Review (2006) recommends that two thirds of the Rainham West sites south of the A1306 can be released from the Rainham Employment Area for non-employment uses. The OAPF anticipates that Rainham Steel and Mudlands will be retained, thereby providing one third of the land for employment and meaning that other sites, including Dover's Corner Industrial Estate, can come forward for residential uses.
- 2.4 The OAPF also seeks to improve connectivity and permeability across the area and calls for a pedestrian/cycle link from the estate, across Rainham Creek and into Rainham town centre. This can be accommodated over GLAP's Dover's Corner site.
- 2.5 These ambitions are also reflected in LB Havering's bid to the GLA for Housing Zone status for Rainham and Beam Park. Their vision is to create a new garden suburb along the A1306 through opening up sites which are constrained by their former industrial use, poor connectivity and low local residential values.

3 Planning and Delivery

- 3.1 Weston Homes achieved planning permission for a major, residential led scheme on the industrial estate in 2011. The permission comprised 729 dwellings and retail and commercial space totalling 8,780 sq m. Despite this, Weston Homes pulled out of the scheme due to viability issues with the permitted scheme which included a large number of apartments.
- 3.2 In February 2013, an offer was made for the freehold of GLAP's Dover's Corner site by a private investor active within East London. It was believed that he was attempting to assemble a larger site for future redevelopment. This offer was recommended for approval at

HIG in February 2013. Following discussions with LB Havering, this offer was not approved. As described above, the site is considered to have wider strategic importance in enabling a future access from Rainham to the A1306 development sites in the east. As such, it was agreed that the site should remain within GLAP until the plans for the A1306 sites came forward.

- 3.3 Since then, Persimmon Homes has stepped in and acquired the land interests which make up the adjacent industrial estate (the former Weston Homes site). Persimmon has submitted a detailed planning application to deliver approximately 400 units. Given the planning framework for Rainham West described above, LBH support the principle of residential development in this location.
- 3.4 As part of the redevelopment of the industrial estate and in line with policy, LBH wishes to improve connectivity and deliver links from the A1306 sites, through Dover's Corner to Rainham station in the east. In particular, they wish to deliver an east-west pedestrian and cycle bridge across Rainham Creek to Lamson Road. This will improve accessibility to Rainham town centre – a further ambition of the OAPF and Housing Zone submission.
- 3.5 LBH believe the best location for this bridge connection is across GLAP's land adjacent to the estate. This given, LBH wishes to acquire GLAP's land interest at Dover's Corner and then work with Persimmon to deliver a pedestrian/cycle bridge across the land as part of the s106 agreement for the redevelopment of the industrial estate.
- 3.6 LBH is also considering acquiring the additional parcels of land directly to the north of GLAP's interest, adjacent to the Creek. This will afford LBH full control of the stretch of land between the Persimmon development and the Creek. As well as enabling the delivery of the bridge link on GLAP's land, this will allow LBH and Persimmon to preserve and enhance the banks of the Creek and contribute to the creation of a continuous pedestrian/cycle link along the Creek. This too is an ambition of the OAPF.

4 Objectives and Expected Outcomes

- 4.1 The objective of this disposal is to facilitate the delivery of a pedestrian and cycle bridge from Dover's Corner industrial estate, across Rainham Creek and into Rainham town centre when the industrial estate is redeveloped for residential uses by Persimmon. This will deliver the following benefits:
 - Disposing of the land to LBH will afford them more control over the delivery of the bridge once Dover's Corner Industrial Estate comes forward for development
 - The delivery of the bridge will improve connectivity between Rainham, Dover's Corner and the other A1306 sites which are coming forward for redevelopment
 - This connectivity will improve access into Rainham which in turn will promote the intensification of development and economic activity in the town centre – another ambition of the London Riverside OAPF
 - For GLAP, the proposal will see the disposal of a non-strategic, non-developable asset and relinquish GLAP of any future liability for the site.

5 Progress to Date

- 5.1 LBH approached the GLA in early 2015 with a view to acquiring the site. Following negotiation, heads of terms for the disposal were agreed on 22 September 2015.

6 Equality Comments

- 6.1 Consideration has been given as to how the proposed disposal relates to the public sector equality duty and the potential impacts of this decision. As noted, the proposed disposal will help with the delivery of a pedestrian/cycle link between new development at Dover's Corner Industrial Estate and Rainham town centre.
- 6.2 LBH have confirmed that the bridge, when delivered, will be fully accessible for all users; meaning wheelchair users, older people and those with prams/buggies will be able to use the bridge without impediment. This will enable all residents of the new Persimmon development to more easily access Rainham town centre and its facilities. The opening of this link will therefore advance equality of opportunity, assist with the elimination of unlawful discrimination (against people with mobility or other such impairments) and improve the wellbeing of all residents who would otherwise have to take a longer route into town and cross multiple roads.

7 Other Considerations

- 7.1 A risk inherent in this proposal is that the bridge link is not delivered. GLAP will not be able to control the delivery of the bridge through the proposed disposal. The bridge is of strategic importance to Havering as it will open up a pedestrian gateway from the adjoining development site and further east into Rainham town centre. As such, LBH wish to acquire and retain this land for a bridge link and work with Persimmon to deliver the bridge through a s106 agreement.
- 7.2 A further risk is that LBH withdraws and the disposal does not complete. This is considered unlikely given the strategic importance of the site for LBH and the fact that heads of terms are now agreed. If LBH does withdraw, the site will remain with GLAP with no direct, on-going estate management costs or can be sold on the open market.

8 Financial Comments

- 8.1 The disposal of this site at Dover's Corner has been agreed at the same amount that it was valued at by GLAP at 31/03/2015, which meets Best Consideration requirements.
- 8.2 This land is held as development stock. The taxable profit or loss on the disposal should equate to the accounting profit or loss. There are tax losses brought forward which should be available for offset which should mean that no taxable profit arises on the sale.

9 Legal Comments

- 9.1 GLAP has been advised by Eversheds in relation to this disposal.
- 9.2 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.
- 9.3 It should be noted that as GLAP will be a party to the legal documentation, GLAP will also need to approve the disposal in accordance with its constitution.

10 Planned delivery approach and next steps

Activity	Timeline
DD approval of proposed disposal	October 2015
Legal completion	November 2015

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? No

If YES, for what reason:

Until what date: (a date is required if deferring)

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 – Yes

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Lauren Noble 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. D. Allen

Date

22.10.15

Appendices and Supporting Papers:

Appendix 1: Site Plan



