

# GREATER **LONDON** AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD1497

**Title: Revised direction to LFEPA to dispose of the former fire station site at Southwark**

### Executive summary

The Mayor issued a direction to the London Fire and Emergency Planning Authority (LFEPA) dated 26 March 2015 that it disposes of the Southwark fire station site to Hadston, a developer committed to building a school on the site. The direction contained dates which were not practically achievable. The Mayor is therefore issuing a revised direction to LFEPA containing dates which can practically be met by LFEPA. Hadston's offer is conditional upon obtaining satisfactory planning permission, and confirmation to LFEPA's satisfaction that the disposal price represents the best that can reasonably be obtained. This has been reflected in the direction.

### Decision

That the Mayor directs LFEPA in relation to the disposal of Southwark former fire station site in the revised form at Appendix B to this decision form.

### Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

**Signature:**



**Date:** 27 APRIL 2015

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 The background for this Mayoral Decision is set out in MD1486 of 26 March 2015 concerning the direction to LFEPA to dispose of Southwark fire station site to Hadston, and that background remains applicable.
- 1.2 The direction issued to LFEPA was signed on 26 March 2015 and required LFEPA to
  - End its current bidding process and inform the bidders accordingly by 17 April 2015;
  - Obtain confirmation from LFEPA's valuers that the price offered by Hadston represents best consideration by 24 April 2015; and
  - Progress and complete the disposal of Southwark fire station site to Hadston by 1 May 2015.
- 1.3 On 2 April 2015, Sir Edward Lister sent a letter to LFEPA stating that:
  - The dates in the direction issued on 26 March 2015 were not practically achievable; and
  - The dates will be changed in a revised direction; and
  - The Mayor does not expect LFEPA to comply with the dates set out in the direction dated 26 March 2015.
- 1.4 The purpose of this decision form is to support a revised direction to LFEPA which reflects MD1486 and revokes and replaces the previous direction dated 26 March 2015. The changes made in the revised direction are explained below. The underlying facts and considerations have not changed.

#### **2 Issues**

##### Direction

- 2.1 The direction dated 26 March 2015 contains dates which cannot be practically achieved by LFEPA and accordingly a revised direction needs to be issued to LFEPA containing dates which can practically be met by it.
- 2.2 The disposal to Hadston is conditional upon the receipt by Hadston of satisfactory planning permission, and confirmation to LFEPA's satisfaction that the disposal price represents the best that can reasonably be obtained. In order to ensure that the planning application is submitted as soon as possible, LFEPA should be directed to enter into an agreement with Hadston by 5 May 2015 to dispose of the Site to Hadston subject to the receipt of satisfactory planning permission no later than 5 May 2017, and confirmation to LFEPA's satisfaction that the disposal price represents the best that can reasonably be obtained.
- 2.3 The Mayor is therefore invited to issue the revised direction appended to this decision form. The underlying facts and considerations set out in MD1486, Parts 1 and 2, have not changed, and apply to the revised direction.

## Indemnity

- 2.4 For the avoidance of doubt, the letter of comfort given to LFEPA dated 26 March 2015 applies in relation to the revised direction issued in accordance with this decision form.

## Best consideration

- 2.5 Although Hadston's offer is conditional upon satisfactory planning permission, there are strong indications from the local planning authority as to the suitability of the potential planning application which will be made by Hadston for the site. It is also noted that the local planning authority is preparing a new development plan for the borough and is minded to include a secondary school as one of the preferred uses on the site.
- 2.6 Although there could be a delay in LFEPA receiving the capital receipts from the disposal by up to two years, those capital receipts would be higher than the unconditional offer made by the highest bidder that LFEPA had treated as the preferred bidder in its bidding process, and also higher after taking into account additional security and other incidental costs which would be incurred over the prolonged period of up to two years.
- 2.7 In order to obtain a professional view of whether Hadston's bid represents best consideration that can reasonably be obtained which is independent of all parties involved to date, it is proposed that this should be undertaken by GL Hearn Limited, from the framework agreement used by the GLA for valuers, and that proposal is reflected in the appended direction.

## **3. Equality comments**

- 3.1 There are no equality implications arising from this decision.

## **4. Financial comments**

- 4.1 The financial comments in MD1486, Parts 1 and 2, apply to the revised direction.

## **5. Legal comments**

- 5.1 The legal comments in MD1486, Parts 1 and 2, apply to the revised direction.
- 5.2 Section 328A(1) of the Greater London Authority Act 1999 (the GLA Act) gives power to the Mayor to issue general and specific directions to LFEPA as to the exercise of its functions. This power enables the Mayor to issue a revised direction to LFEPA and direct it ~~to~~ to note that it replaces any other directions previously issued.
- 5.3 Further legal comments are made in Part 2 to this form.

## **6. Investment & Performance Board**

- 6.1 This approval falls outside the terms of reference of the Investment & Performance Board.

## **Appendices and supporting papers:**

Appendix A: Covering letter from the Mayor

Appendix B: Revised direction to LFEPA

**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 after the pre-election period

Until what date: 08.05.15

**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 – YES**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer:**

Tom Middleton has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

**Assistant Director/Head of Service:**

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

✓

**Sponsoring Director:**

Martin Clarke has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

Sir Edward Lister has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**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

27.4.15

**CHIEF OF STAFF:**

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

*Edmund*

Date

27.04.2015.