

# GREATER LONDON AUTHORITY

## REQUEST FOR DIRECTOR DECISION – DD1358

### Title: Disposal of Unit 3 Wildspace, 6-10 Lamson Road

#### Executive Summary:

GLA Land and Property Ltd (GLAP) is seeking to dispose of Unit 3 Wildspace on a long lease in accordance with the other recent disposals. Unit 3 is the remaining light industrial unit at 6-10 Lamson Road, Rainham.

#### Decision:

That the Executive Director approves (acting under delegated authority as per MD1201) the disposal of Unit 3 Wildspace, 6-10 Lamson Road on a 999 year lease on the terms set out in the confidential section of this paper and approves expenditure for the legal and agent fees required for this disposal.

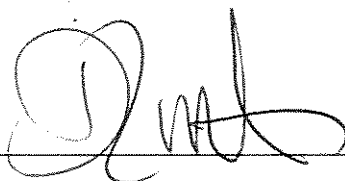
#### AUTHORISING DIRECTOR

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 for Housing & Land

**Signature:**



**Date:** 22.6.2015

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE**

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

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

- 1.1. The freehold to the industrial units at Lamson Road transferred on 16th April 2012 from the London Thames Gateway Development Corporation (LTGDC) to the GLA under the London Thames Gateway Development Corporation (Transfer of Property, Rights and Liabilities) (Greater London Authority) Order 2012 (LTGDC Transfer Order). The site was again transferred to GLA Land & Property Ltd (GLAP) in November 2012, in order to enable efficient disposals in accordance with the Mayor's strategic objectives.
- 1.2. LTGDC had purchased the redundant 38,000 square foot industrial building in Lamson Road, immediately south of Rainham train station in 2008. A site plan is attached at Appendix 1. LTGDC then refurbished the building, creating 5 self-contained units ranging from circa 5,000 to circa 11,000 sq ft. The construction works were completed in June 2011, with marketing commencing thereafter. Unit 1 sold immediately to a company, previously located on the site of the Creative Industries Quarter, Barking, in August 2011 that was subject to a Compulsory Purchase Order and required new premises.
- 1.3. The site benefits from good connections both into London and to the wider south east by road and rail. When the LTGDC undertook to refurbish the units it opted to deliver them to a high standard, achieving BREEAM Very Good. Each unit is provided with a dedicated secure yard area.
- 1.4. Local agents, Glenny and Kemsleys, were appointed on a joint agency basis in October 2010 to dispose of the remaining units. Details of the enquiries and the most recent offers received are included in the Part 2 (confidential) paper.
- 1.5. In May 2013, Mayoral Decision 1201 granted approval for the disposal of Unit 4 (which subsequently proved abortive) and delegated authority to approve the terms of future disposals of the remaining units 2, 3 and 5 to the Deputy Mayor of Housing Land and Property and the Executive Director for Housing and Land where the disposal value was above a minimum value as set out in Part 2 to that MD.
- 1.6. Units 2, 4 and 5 have been disposed of on the basis of a long leasehold in substantially the same form as the disposal of Unit 1 and the heads of terms for disposal for the remaining Unit 3 have now been agreed with a single purchaser, and this paper outlines the details of the disposals.
- 1.7. MD1370 approved the disposal of Units 3 and 4 to a single purchaser but the purchaser did not choose to acquire both properties and therefore Unit 3 was returned to the market. This DD notes the disposal did not proceed as set out in MD1370 and seeks approval to dispose to a separate purchaser.

#### **2. Objectives and expected outcomes**

- 2.1. The final disposal will enable GLAP to review its asset position and consider whether a freehold transfer of the units to a management company or investor would be appropriate. Provision has been made within the lease terms to enable a management company to be set up, formed of the tenants as the members.
- 2.2. GLAP's estate management liability will be reduced as a result of the disposal as the lease contains service charge obligations on the tenant.
- 2.3. Market commentary from the appointed agents is set out in Part 2 with the information regarding the other offers for the unit.

### **3. Equality comments**

- 3.1. The disposal of the unit has been publically advertised for a minimum of four weeks to ensure that the opportunity was presented to the market before agreement was reached with the current tenant.

### **4. Other considerations**

#### **4.1. Planning & delivery**

- 4.1.1 The units are constructed and ready for occupation and therefore completion of the legal agreements will enable the tenants to take possession and begin trading.

#### **4.2. Finance & fees**

- 4.2.1. The tenants have provided proof of funds for the purchase. Details of the offers made on the unit are set out in Part 2 of this paper.
- 4.2.2. LTGDC had been advised by Eversheds LLP in relation to this site and they have been retained to act for GLAP because of their existing knowledge of the site and the experience of negotiating the previous four disposals. Fees requested for the disposal are set out in Part 2.
- 4.2.3. Glenny and Kemsley are appointed as joint agents for the site and their fees are detailed in Part 2.

### **5. Financial comments**

- 5.1. Comments are included in the Part 2 confidential paper

### **6. Legal comments**

- 6.1 GLAP has been advised by Eversheds LLP in relation to this site, having previously been retained to act for LTGDC.
- 6.2 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
- 6.3 Sections 1 and 2 of this report indicate that the decisions requested of the Director (acting under the authority delegated in this regard under MD1201) fall within the Authority's general statutory power under Section 30 and its power under section 34 of the GLA Act to do things facilitative of and conducive to the discharge of its general functions

### **7. Planned delivery approach and next steps**

<b>Activity</b>	<b>Timeline</b>
Confirm Heads of Terms with the purchaser	May 2015
Draw up lease agreement in the same form as previous	June 2015
Exchange	July 2015
Complete	July 2015
Review GLAP's estate management responsibilities for the units	July 2015

### **Appendices and supporting papers:**

#### **Appendix 1: Site plan**

**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:

Pending the exchange of contracts.

Until what date: (a date is required if deferring) 1 September 2015

**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:**

Philippa Bloomfield 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**

*22.6.15*