

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2534

Title: Vittoria Wharf – Disposal of LLDC's residual freehold interest (following the construction of Stour Bridge)

Executive Summary:

London Legacy Development Corporation (LLDC) retains the freehold of a triangular shaped slice of Vittoria Wharf, Stour Road, London, E3 2NT following the construction of Stour Bridge, a pedestrian bridge connecting Queen Elizabeth Olympic Park to Hackney Wick Fish Island.

The LLDC portion of Vittoria Wharf was acquired by agreement under the London Development Agency (Olympic & Legacy) Compulsory Purchase Order 2005, for the delivery of the bridge to improve east west connectivity.

LLDC seeks consent from the Mayor of London to dispose of its residual freehold interest at Vittoria Wharf to the adjoining landowner, Palm Lane Ltd. This will enable Palm Lane to bring forward an improved scheme to that previously consented. It would enable a successful integration between the bridge and the eventual development, which would present a far more cohesive and better designed entrance into the Park.

LLDC commissioned an independent valuation of its portion of Vittoria Wharf who have confirmed the agreed sale price is best consideration.

Mayoral consent is required under paragraph 4.4 of the LLDC Governance Direction 2019 as the disposal is a 'land transaction' under the National Lottery Funding Repayment Agreement.

Decision:

That the Mayor approves that LLDC proceeds to dispose of its residual freehold interest in Vittoria Wharf for best consideration, which involves a 'land transaction' as defined by clause 2 of the National Lottery Funding Repayment Agreement (NLFRA).

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:

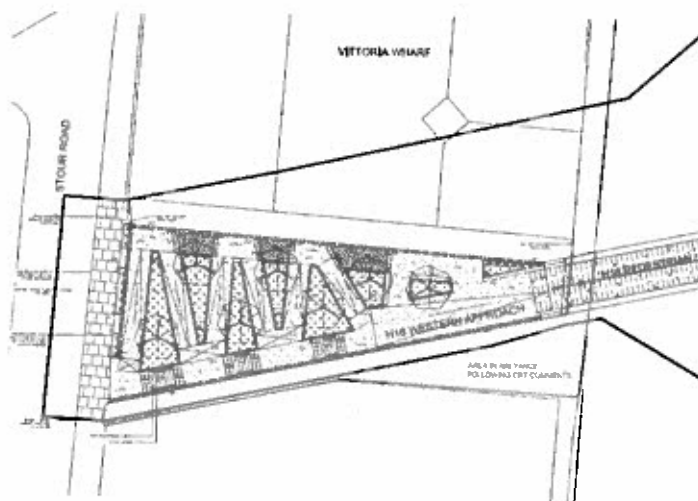
18/11/19

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

Decision required – supporting report

1. Introduction and background

- 1.1. Vittoria Wharf is located on the corner of Stour, Beachy and Roach Roads in Fish Island E9, directly west of the Queen Elizabeth Olympic Park. LLDC owns a portion of the Wharf, acquired by agreement under the London Development Agency (Olympic & Legacy) CPO 2005, for the delivery of a pedestrian bridge connecting Queen Elizabeth Olympic Park to Hackney Wick Fish Island.
- 1.2. The majority of LLDC's portion of the Vittoria Wharf building was demolished to enable construction of the bridge, now known as Stour Bridge (formerly referred to as H16 bridge) leaving a currently inaccessible, dilapidated and asbestos roofed triangle of the building measuring 231 sq. m. The remainder of the Vittoria Wharf building is owned by Palm Lane Ltd.
- 1.3. The plan below illustrates Stour Bridge, the western approach to the bridge and shows the residual triangular portion that remains, immediately to the north with the redline delineating the boundary with Palm Lane.



- 1.4. Due to the configuration of the internal layout, there is no physical boundary between LLDC's ownership and Palm Lane's, which has proved difficult to manage over the years.
- 1.5. Following consideration of options for LLDC's remaining portion of the building including demolition, acquisition of Palm Lane's interests in the building and refurbishment, LLDC's Executive Management Team agreed to dispose of the LLDC's residual freehold interest to the adjoining landowner, Palm Lane for best consideration at an agreed price.
- 1.6. LLDC commissioned an independent valuation of its portion of Vittoria Wharf who have confirmed the agreed sale price is best consideration. This is set out in the part 2 form.
- 1.7. Mayoral consent is required under paragraph 4.4 of the LLDC Governance Direction 2019 as the disposal is a 'land transaction' under the National Lottery Funding Repayment Agreement.

2. Objectives and expected outcomes

- 2.1. With the bridge now constructed and open to the public, disposing of LLDC's interest to the adjoining landowner brings the ownership back together. It enables Palm Lane the opportunity to reconsider the consented re-development of their site and the bridge as a whole. Redesigning the site to account for the additional land will, aside from improving density:

- enable a more legible connection to the Park;
- better support the strong street pattern (and corners at Beachy/Stour Rd);
- offer the opportunity to create new buildings that can accommodate the bridge approach levels; and
- respond appropriately to the new Sweetwater development on the eastern side of the water.

3. Equality comments

- 3.1. LLDC have considered likely potential impacts and conclude there should be no adverse impact on equalities issues and any protected characteristic groups. The building is vacant, and unifying ownership is a positive step as it enables a cohesive management approach until the site is redeveloped as a whole.

4. Other considerations

Key risks and issues

- 4.1. There is a risk for LLDC should the disposal not proceed that once the building is handed back by the bridge contractor, LLDC will begin to incur unbudgeted void costs (water, gas and electric standing charges, security, graffiti removal and health & safety compliance).
- 4.2. There is a small additional risk to both the GLA and LLDC that LLDC could be seen to fetter the purchaser's ability to redevelop their own site if LLDC do not proceed with the disposal in so far as LLDC's residual portion prohibits the purchaser from implementing their existing and consented scheme.

Links to Mayoral strategies and priorities

- 4.3. This proposal will provide the adjoining landowner the opportunity to re-design their development into a scheme which aligns with the Mayor's Good Growth & Culture and Housing priorities.

Impact assessment and consultations

- 4.4. LLDC considered the options for its remaining portion of the building. LLDC discounted refurbishment given the physical constraints of the building including limited access, the low likelihood of achieving Secure by Design, the significant capital costs of refurbishment and low anticipated return on investment. The sale price to the adjoining landowner was agreed following negotiations between LLDC's and the adjoining landowner's Royal Institution of Chartered Surveyors registered valuers and is 'best consideration'. Disposing of LLDC's interest removes a significant liability and capitalises on the marriage value created.

5. Financial comments

- 5.1. The capital receipt from the disposal of the land will be factored into LLDC's 2020-21 budget submission to the GLA and will therefore be taken into account in the determination of the GLA's capital funding support for LLDC in the 2020-21 budget process.

6. Legal comments

- 6.1. Section 30 of the Greater London Authority Act 1999 (as amended) 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. This report indicates that the decision requested of the Mayor falls within his statutory powers.

7. Planned delivery approach and next steps

Activity	Timeline
LLDC EMT approval granted to dispose of its residual interest in Vittoria Wharf (subject to Mayoral consent).	27 August 2019
Mayoral consent received	w/c 18 November 2019
Exchange of contracts for the disposal	w/c 25 November 2019
Completion of Disposal	w/c 2 December 2019

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 it has been approved 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 completion of the disposal and execution of the legal agreements.

Until what date: 31 December 2019

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included 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:

Jamie Dean has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

David Bellamy has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 18 November 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. O'Leary

Date

18.11.19

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

18/11/2019.

