

PART 2 – CONFIDENTIAL FACTS AND ADVICE

MD2858

Title: EastPlus – sale of EastPlus Plot 45, Ferry Lane, Rainham

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Information Governance team for advice.

This information is not suitable for publication until the stated date because:

This is an appendix to the MD paper and is a reserved publication owing to commercial confidentiality as it contains commercially sensitive information concerning the terms, including the consideration to be paid, of a contract with a third party.

Date at which Part 2 will cease to be sensitive or when this information should be reviewed with a view to publication: May 2022.

Legal adviser recommendation on the grounds for not publishing information at this time:

1. Under section 43(2) of the Freedom of Information Act 2000, information is exempt from publication if its disclosure would, or would be likely to, prejudice the commercial interests of any person (including the GLA). This is a qualified exemption, meaning that information captured under this section alone can only be withheld if the public interest in withholding it outweighs the public interest in releasing it.
2. The information contained in this report includes the GLA's receipt for the disposal and other commercial considerations. This is commercially sensitive information, the disclosure of which would, or would be likely to, prejudice the commercial interests of GLA Land and Property Limited (GLAP) in respect of its commercial position. Whilst there is a public interest in understanding the disposal values, in these circumstances the public interest lies in maintaining the exemption and withholding the information until the commercial deal is concluded.
3. If this information is considered for release pursuant to the provisions of the Environmental Information Regulations 2004, this information should be considered exempt information under regulation 12(5)(e) – where disclosure would adversely affect the confidentiality of commercial or industrial information where such confidentiality is provided by law to protect a legitimate economic interest.

Legal Adviser – I make the above recommendations that this information is not suitable for publication at this time.

Name: Claire Mason – TfL Legal

Date: 22/3/22

Decision and/or advice:

Sale of EastPlus Plot 45

1. The sale of EastPlus Plot 45 (0.18 hectares/0.44 acres gross) to The Capital Dairy Company (Holdings) Limited will generate a land receipt of approximately £1,150,000 (equivalent to £6,388,888 per hectare/£2,613,636 per acre) plus VAT. The precise figure may be subject to a land re-measurement.
2. VAT will be chargeable on the sales price.
3. This figure exceeds the gross minimum land value for this plot in the EastPlus DA; and exceeds GLAP's 31 March 2021 independent annual property valuation. The sale is to a business that purchased land from GLAP (in 2020), via a subsale to SEGRO, for their new dairy in Hindmans Way, Dagenham Dock, which lies approximately three miles to the west (nearer to four miles by vehicle).
4. By way of comparison, excluding VAT, similar land transactions (but with different geotechnical profiles) in the EastPlus portfolio have generated receipts of:
 - £828,530 per hectare gross (equivalent to £345,221 per acre) at EastPlus Plot 17 in Ferry Lane, Rainham (in September 2020)
 - £715,887 per hectare gross (£289,790 per acre gross) at EastPlus Plot 41 in Consul Avenue, Rainham (in September 2019)
 - £959,895 per hectare gross (£388,600 per acre gross) at EastPlus Plot 40 also in Rainham (in December 2016).
5. The two remaining vacant plots in Ferry Lane in the EastPlus portfolio (Plots 24 and 26) are expected to generate lower revenue receipts for GLAP when they come forward for development (and a separate Mayoral Decision). This is because they are to be developed speculatively, and require extensive ground decontamination and/or containment of specified contaminants within the irregular shaped plots.

Sale of backland in Halyard Street

6. The separate sale of the 0.04 hectares (0.01 acres), a slither of land at the back of the new dairy in Dagenham Dock to The Capital Dairy Company (Holdings) Limited will be for a nominal sum (£1). This is because the dairy is, by agreement, sacrificing the equivalent land in their yard to enable GLAP to provide safe access for the maintenance of a new electrical substation in Halyard Street that SEGRO has built to benefit the southern part of Mayor's London Sustainable Industries Park. Without safe off-road parking for the local net operator, the substation is unlikely to be adopted. The irregularly shaped piece of land being transferred was left over when Halyard Street was built in 2012-13, but was not needed for its construction, so is of limited value. This means its sale should not create a VAT liability. It is (or was) accessed from a private road (Halyard Street) off Choats Road, and has since been fenced in to prevent fly-tipping.
7. It is anticipated that the disposal of EastPlus Plot 45 and the transfer of the land off Halyard Street will be contracted soon after this Mayoral Decision.
8. The costs of sale (including legal and Land Registry fees) will be incurred up to end of March 2023.

Financial comments

9. The decision is seeking approval for the freehold disposal of Eastplus plot 45 to The Capital Dairy Company (Holdings Limited). The disposal proceeds for the site is approximately £1,150,000, which exceeds the minimum land value included in the Development Agreement. VAT will be chargeable on the sales price. SEGRO, the developer of EastPlus, will be reimbursed for site survey and clearance costs from the disposal proceeds of the site.
10. The decision is also seeking approval for the disposal of Halyard, a slither of land at Dagenham Dock, to The Capital Dairy Company (Holdings) Limited. The site is deemed to be of limited value and will be sold for a nominal value of £1.
11. A budget of £95,000 will be required to fund the costs associated with the disposal of the site, which is expected to be incurred during 2022-23.