

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DD2343

Title: **Disposal of North Greenwich Pier**

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:

Not suitable for publication as it is commercially sensitive.

Date at which Part 2 will cease to be sensitive or when this information should be reviewed with a view to publication: 1/4/2020

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

The contents of Part 2 include sensitive information which related to the GLAP's commercial interests, the disclosure of which could prejudice those interests. For those reasons it is considered that the information is exempt from publication in reliance upon the exclusions contained in section 43 (2) (Commercial Interests) of the FOI Act 2000 and because the public interest in withholding the information outweighs the public interest in releasing it.

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

Name: Richard Stokes

Date: 15.03.2019

Once this form is fully authorised, it should be circulated with Part 1.

1 Financial comments:

- 1.1 The Decision is seeking approval for the disposal of North Greenwich Pier at £500,000 to Collins River Enterprises Limited (CREL), a subsidiary of Thames Clippers/AEG as it has been identified as a non-developable/non-strategic asset.
- 1.2 The pier is currently an expensive liability for GLAP to hold and maintain and makes an annual operating loss of c.£240,000.
- 1.3 The value of the pier on the 31 March 2018 was £150,000, which is significantly less than 2008 Bidwell valuation of £1m, owing to the depreciation of the asset and the very low levels of income generated. A further valuation was carried out in February 2019 by GL Hearn who considered the value of the freehold and leasehold assets separately. The freehold asset has a value of £160,000 and the leasehold asset has a value of £0.

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| 1.4 | There will be an ongoing revenue expenses of £20,000 for the Quantum Cloud Sculpture over two years for the full inspection and remedial works. A further £6,000 will be incurred every two years thereafter for a visual inspection. |
| 1.5 | GLAP usually charges VAT on all its land disposals. This has been reflected in the Heads of Terms which states that VAT will be charged. |
| 1.6 | There is however a likelihood that the transfer of the leasehold land could qualify as the “transfer of a business as a going concern”. In this case, VAT would not be chargeable on this part of the transfer. To reflect this, the sale price of £500k will have to be apportioned between the freehold and leasehold elements. This apportionment is done on a “fair and reasonable” basis. Once done, VAT will be charged only on that part of the sale price that relates to the freehold land. |
| 1.7 | Two sales invoices for each tract of land may have to be issued by GLAP. We will agree this with the buyer in advance. |