

PART 2 – CONFIDENTIAL FACTS AND ADVICE

MD2729

Title: Compulsory Purchase Order – Surry Quays Station Upgrade

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.

Date at which Part 2 will cease to be sensitive or when this information should be reviewed with a view to publication: 31 January 2022

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

Under section 43 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 section 43 can only be withheld if the public interest in withholding it outweighs the public interest in releasing it.

The information contained in this report includes site specific information not available to the public which could negatively affect the negotiation of a voluntary agreement for the acquisition of the necessary land and interests. This is commercially sensitive information, the disclosure of which would, or would be likely to, prejudice the commercial interests of TfL in relation to negotiations with third parties and ultimately the delivery of the infrastructure works and housing outputs. Whilst there is a public interest in understanding the circumstances in which public money is spent, it is considered that in these circumstances the public interest lies in maintaining the exemption and withholding the information.

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: TfL Legal

Date: 14 December 2020

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

Decision and/or advice:

That the Mayor provides consent under paragraph 19(3), Schedule 11, Greater London Authority Act 1999 for TfL to submit the Secretary of State the Transport for London (Surrey Quays Station Upgrade) Compulsory Purchase Order 2020.

1. Grant Determination Agreement

1.1. The Grant Determination Agreement (GDA) provides that £80.84m in funding that is to be delivered in two phases – first £8.53m of Preliminary Costs and then the remainder of the £80.84m, subject to satisfaction of further conditions precedent, in respect of the main Infrastructure delivery costs.

- 1.2. In order for the GDA to move from the Preliminary Costs phase to main Infrastructure costs phase, a number of conditions must be satisfied. If certain conditions outside the control of the Greater London Authority (GLA) and TfL (representing significant challenges to the viability of delivering the works for the ELL) are not met by specified deadlines, GLA/TfL have certain rights to “break” from the GDA, generally without spent Preliminary Costs being repayable.
- 1.3. One of those rights to break arises if TfL fails to secure a confirmed Compulsory Purchase Order (CPO) for the necessary third-party land by 26 October 2021, if it cannot be acquired through negotiation prior to that date.
- 1.4. The timetable discussed at 2.1 would have allowed TfL to meet the requirements of the GDA, which required that TfL seek internal authorisation for the making of a CPO for the necessary third-party land required by December 2020, in order to ensure the timely delivery of the necessary third-party land by 26 October 2021.

2. Status of negotiations with the landowner

- 2.1. TfL has been in discussions with Wandle since the beginning of 2020. Progress has been slow until recently for a number of reasons, including Wandle not appointing legal advisers and instructing their own valuation until very recently, despite the offer by TfL of providing or paying for advice. The original timetable which was agreed in principle with Wandle was to come to a sale agreement by September 2020 so Wandle could seek approval at the relevant meeting of its Board.
- 2.2. Three main issues have prevented the acquisition of the Property by agreement to date:
 - dealing with the removal and relocation of the third-party interests of tenants of Wandle, particularly parking;
 - agreeing a valuation for the Property (further detail below); and
 - removal of an unauthorised advertising hoarding on the Property. To mitigate this, TfL, with Wandle’s consent, is taking action to remove the unauthorised advertising hoarding and secure the site to prevent any further unauthorised advertising hoarding returning.
- 2.3. Despite this timetable not being achieved TfL continue to work towards acquiring the land by agreement, instead of using a CPO.

3. Property Cost Estimate

- 3.1. During the development of the business case TfL Commercial Property provided a valuation of the Property to inform the total value of the requested bid. TfL’s Property Cost Estimate for the acquisition of the Property is currently £65,000 based on existing use value for the land as car parking (excluding costs associated with the acquisition and the CPO).
- 3.2. Wandle has instructed Jones Lang LaSalle to carry out a valuation. This valuation concludes the Property has some residential development potential which could increase the value of the land. TfL challenges this conclusion as the site is only approximately 0.22Ha and is constrained by access required to car parking spaces by Wandle residents and the adjacent railway infrastructure. However, a total allowance of up to £0.2m has been made (including risk, costs associated with the acquisition and the CPO).
- 3.3. The project Estimated Final Cost for Surrey Quays Station Upgrade is £28.0 million including risk provision of £6.77 million and a £10 million s106 contribution from British Land. This amount includes the £0.2m allowance for acquisition of the site as set out in 3.2.