

PART 2 – CONFIDENTIAL FACTS AND ADVICE

MD2151

Title: Disposal of Land at Creative Industries Quarter, Abbey Road Barking

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This information is not for publication until the stated date, because:

The information in relation to the land value and project expenditure is commercially sensitive.

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed: June 2019

Legal recommendation on the grounds of keeping the information confidential:

The information in Part 2 below is information the disclosure of which would be likely to prejudice the commercial interests of GLAP

Legal Adviser – I make the above recommendations that this information should be considered confidential at this time

Name: Andrew Romaner, TfL Legal

Date: 28 June 2017

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

Confidential decision and/or advice:

1. Introduction and background cont.

Land Value

- 1.1 The lease terms to LBBD are 1001 years in respect of phase 1 and 999 years in respect of phase 2, with a freehold call in option in LBBD's favour. GL Hearn has conducted GLAP's annual end of year valuation since March 2015, and the March 2017 valuation gives phase 1 and phase 2 a nominal value of £1 respectively.
- 1.2 The freehold of the strip of land has not previously been valued, therefore GL Hearn were instructed to provide a franking valuation in respect of this land (the valuation is attached as Appendix 1). The valuation concludes that the strip of land has a nominal value, equivalent to £1. Consequently, the land will be transferred to LBBD for £1.

Project Expenditure

1.3 Additional project expenditure will be required to complete the land transfers. This Mayoral Decision also seeks retrospective approval for historic overspend to the project. The following table lists the budget requirements:

Approved Lifetime Budget	£4,461,515
Historic Overspend	£6,122
Valuation Fees	£1,000
Legal Fees	£4,000
Budget Increase required	£11,122
Revised Lifetime Budget	£4,472,637

1.4 A DAR approving expenditure of £1,000 for valuation services was approved on 24 April 2017.

1.5 The estimated legal fees listed in the table have been provided by Eversheds; the GLAP legal advisor throughout the lifetime of this project. Of the additional expenditure required, £6,122 has been spent in previous financial years, £1,212 of legal fees has been spent during 2016-17 and the remainder will be spent during 2017-18.

2 Finance Comments

2.1 The paper is seeking approval for the disposal of the freehold interest in CIQ phase 1 and phase 2 and an adjoining strip of land, following the leasehold disposal of the site to LBBG. Each phase was professionally valued and has been assigned a value equal to the nominal value of £1.

2.2 This decision requests approval for revenue expenditure totalling £11,122 to cover historic budget overspend of £6,122 as well as Legal & Valuation fees amounting to £5,000.

2.3 Expenditure in respect of Legal & Valuation fees (£5,000) is available from the Housing & Land CIQ Disposal Fees Budget and will be expended in 2017/18 financial year.

Appendices and supporting papers:

Appendix 1 – Valuation Report – Strip of Land