

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2587

Title: Chobham Farm North – Site Disposal

Executive Summary:

The London Legacy Development Corporation (LLDC) seeks approval to dispose of its interests in land at Chobham Farm North, a site listed in the National Lottery Funding Repayment Agreement (NLFRA). The site has been marketed for a freehold disposal with Hollybrook Homes approved as purchaser. The site is being sold in conjunction with land owned by London Continental Railway (LCR).

Approval is required under Paragraph 4.4 of the LLDC Governance Direction updated 2019 (approved by MD 2502), because this is a 'land transaction' as defined by clause 2 of the National Lottery Funding Repayment Agreement (NLFRA). Paragraph 1.2 of the Governance Direction delegates the Mayor's powers to issue the various consents to a Director.

Decision:

That the Executive Director of Good Growth approves:

1. The disposal of land at Chobham Farm North, based on a freehold sale. Consent is required as this is a land transaction under clause 2 of the National Lottery Funding Repayment Agreement (NLFRA).

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Phillip Graham

Position: Executive Director Good Growth

Signature:



Date:

25/7/22

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The Chobham Farm North site is located 1km to the north of Stratford Town Centre, in the London Borough of Newham (LBN), at the junction of Liberty Bridge and Leyton Road. LLDC's land interest is approximately 0.17ha. LLDC currently lease the site to Air Liquide, an industrial gas company, under 3 separate leases. The site is listed in the National Lottery Agreement Funding Repayment Agreement.
- 1.2. LLDC have been working with London Continental Railways who own land adjacent to LLDC's land holdings on a mixed-use scheme incorporating both land interests.
- 1.3. The total site area, including both parties land interests is approx. 0.32 ha. LLDC owns approx. 0.17 ha, which equates to approx. 53% of the total site area.
- 1.4. In 2018, Adam Khan Architects were appointed under a joint brief by LLDC and LCR to undertake a feasibility on the site. The outline proposal was for a mixed use, 81-unit residential scheme, split amongst 3 blocks, providing 50% affordable housing.
- 1.5. In 2021, Carter Jonas were appointed jointly by LLDC and LCR to take the site to market as a freehold land sale through a public marketing exercise.
- 1.6. In January 2022, 16 land offers were received for the site. An evaluation process was undertaken by LLDC and LCR, resulting in an agreement to select an unconditional offer by Hollybrook Homes. Hollybrook Homes had bid based on a 100 – 120-unit scheme, providing 50% affordable housing, in line with planning requirements. On 28 February 2022, LLDC's Executive Management Team approved the selection of Hollybrook Homes and to dispose of LLDC's interests, via a freehold sale, in the land at Chobham Farm North in line with the LLDC's Scheme of Delegation. The final sale price is in line with a market valuation of the site.
- 1.7. The prior consent of the Mayor is required to this land disposal under Paragraph 4.4 of the LLDC Governance Direction updated 2019. This stipulates that the Mayor's prior consent is required before any decision is made by the LLDC or a Subsidiary to approve a 'land transaction' as defined by clause 2 of the National Lottery Funding Repayment Agreement (NLFRA). The LLDC site being disposed of is land which falls within the purview of the NLFRA. Paragraph 1.2 of the Governance Direction delegates the Mayor's powers to issue the various consents to a Director.

2. Objectives and expected outcomes

- 2.1. LLDC's key objectives for the site were:
 - 2.1.1. Achieve market value for the site
 - 2.1.2. Delivery of new homes
 - 2.1.3. Delivery of 50% affordable housing
- 2.2. These objectives are aligned to both LLDC corporate objectives and the GLA's wider objectives.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010 (the Equality Act), as a public authority, the LLDC and GLA must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act comprise age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status. Championing equality and inclusion is one of LLDC's four priority themes that underpin every aspect of its work.
- 3.2. The sale is not expected to have any negative impact on those with protected characteristics.

4. Other considerations

Key risks and issues

- 4.1. A risk with the project is the delivery timescale of any proposed development. Hollybrook Homes are not required to begin work on the site at any point so there is a risk that the land remains undeveloped. Hollybrook Homes have expressed that this is not their intention.

Links to Mayoral strategies and priorities

- 4.2. The delivery of the scheme will contribute to the Mayors' London Plan housing targets and provide much needed affordable housing. The delivery of this scheme also aligns with the Mayor's other housing strategies and targets.

Consultations and impact assessments

- 4.3. This is a project that has been considered and approved by LLDC's Executive Management Team.
- 4.4. It is not considered that the Mayor need to undertake any additional consultation in respect of this decision.
- 4.5. There are no conflicts of interest to note for any of those involved in the drafting or clearance of the decision.

5. Financial comments

- 5.1. LLDC's long term plan includes a projected capital receipt from this disposal and the variance from the forecast is included in part 2 of this decision. There is no adverse impact arising from this disposal on the level of funding provided by the GLA to LLDC.

6. Legal comments

- 6.1. The relevant considerations are set out elsewhere in this paper.

7. Planned delivery approach and next steps

Activity	Timeline
Mayoral consent received (Director Decision)	June 2022
Agree sale contract with Hollybrook Homes	August 2022
Hollybrook Homes submit planning application	Q1 2023

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 31 August 2022 when the contract for the land sale is expected to be concluded

Until what date: 31st August 2022

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

✓

Assistant Director/Head of Service:

Phil Graham has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on the 25 July 2022

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date



25/7/22