

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3279

Grant of a 10-year lease renewal at the Golf Driving Range, Greenwich

Executive summary:

Knight Dragon (KD), the development partner at Greenwich Peninsula, approached GLA Land and Property Limited (GLAP) to discuss lease renewal options for the Golf Driving Range, Greenwich SE10 0QE, with a current lease expiry in 2025. N1 Golf (London) Limited operates the premises (under agreement with KD) and wishes to establish a new term.

This Mayoral Decision seeks approval for the lease renewal at the Golf Driving Range, Greenwich, for a new term between GLAP and KD on the terms set out in this decision form.

Decision:

That the Mayor approves the grant of the lease renewal at the Golf Driving Range, Greenwich SE10 0QE, for a new term on the terms set out in this decision form.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

18/7/24

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 GLA Land and Property Limited (GLAP) is a 100 per cent-owned subsidiary of the GLA. Its purpose is the purchase, sale and development of land or property, and the holding of land or property for capital growth or rental income. It has been set up to conduct the commercial transactions relating to the development of land on behalf of the GLA. GLAP was established in 2012 to manage the land assets inherited by the GLA as part of the Localism Act 2011, totalling 635 hectares of land. The development schemes, including the GLA's joint venture interests, are expected to deliver up to 68,000 new homes (36 per cent affordable) and approx. 8 million sq. ft. of new commercial, retail and leisure space.
- 1.2 GLAP's portfolio is primarily freehold-owned with some long-leasehold interests with a large proportion of value held in development sites; although there are also assets held for investment purpose such as the ExCeL Centre in the Royal Docks and other premises let to commercial tenants and non-profit-making community interests. The regeneration of the Greenwich Peninsula is a priority for the Mayor and represents one of London's largest development projects involving public land. The option to develop the Greenwich Peninsula site, which comprises 67 separate plots, was fully acquired by Hong Kong-based development company Knight Dragon Developments Limited (KD) in 2013, through its acquisition of the joint venture development vehicle from former owners Quintain and Lendlease.
- 1.3 The Greenwich Peninsula Golf Driving Range is located on the western side of the Greenwich Peninsula regeneration project, in the Meridian Quays neighbourhood, on a riverside site with views to the River Thames and Canary Wharf. It is a meanwhile use, offering recreational sport to residents and visitors leased to KD (GLAP's development partner on the Greenwich Peninsula). KD approached GLAP to negotiate a lease renewal ahead of the expiry to enable the Golf Driving Range to continue operating as a meanwhile use, which includes a driving range, golf club house, retail outlet and café/bar. The Golf Driving Range was developed within the masterplan guidelines and considered with future potential development phasing of plots on the Peninsula. Meanwhile use across the peninsula maximises income for GLAP ahead of plot delivery, where the land would otherwise lie vacant until such delivery timeline.
- 1.4 GLAP obtained external rental advice for the Golf Driving Range to assist with pursuing a fair and reasonable new rent, given the limited comparable evidence.

2. Objectives and expected outcomes

- 2.1 Renewing the lease is positive for GLAP and the Peninsula because of the rental income for GLAP and the support it provides for placemaking and long-term regeneration of the Greenwich Peninsula. It also mitigates risk to GLAP by reducing any void period, where substantial business rates and security costs would be payable, prior to development.
- 2.2 Subject to approval of this Mayoral Decision, all parties are working towards completing the lease renewal documentation as soon as possible, with the final draft Heads of Terms with solicitors.

3. Equality comments

- 3.1 Under Section 149 of the Equality Act 2010, the Mayor and the GLA are subject to the public sector equality duty and must have due regard to the need to:
 - eliminate unlawful discrimination, harassment, and victimisation

- advance equality of opportunity between people who share a relevant protected characteristic and those who do not
- foster good relations between people who share a relevant protected characteristic and those who do not.

3.2 The protected characteristics under section 149 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage/civil partnership status. The duty involves having appropriate regard to these matters as they apply in the circumstances, including having regard to the need to: remove or minimise any disadvantage suffered by those who share or are connected to a protected characteristic; take steps to meet the different needs of such people; and encourage them to participate in public life or in any other activity where their participation is disproportionately low. This can involve treating people with a protected characteristic more favourably than those without one. The new lease will bring rent into GLAP, which can then be used to contribute towards the Mayor's priorities, as set out in GLAP's Property Asset Strategy. This includes supporting the delivery of affordable housing, which will benefit those with protected characteristics.

4. Other considerations

Risks and issues

4.1 Delay in granting the lease renewal for the Golf Driving Range to KD would impact future investment in the property by the operator (N1 Golf (London) Limited), who are willing to invest in refurbishments to the facilities once the renewal is completed. This is positive for the Peninsula, and for all parties and the public. Additionally, planning permission will need to be applied for again as the current permission expires on the 17 November 2024. Without the new lease being approved, there is a risk the operator will not commit their investment or progress with this meanwhile use.

Links to Mayoral strategies and priorities

4.2 The renewal of a new 10-year lease will allow further meanwhile use of the land, ahead of the residential development planned in line with the Mayor's housing policy, generating income for GLAP and supporting economic growth.

Conflicts of interest

4.3 No conflicts of interest have been identified for any officers involved in the development of this proposal or drafting or clearance of this decision form.

5. Financial comments

5.1 While sites remain undeveloped, their meanwhile use helps to minimise GLAP's holding costs. As there is interest in another 10-year lease renewal with guaranteed income to GLAP during the lease terms, this saves the company from paying to maintain and manage the site during this period.

6. Legal comments

6.1 Section 30 of the Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything which he considers will further one or more of the principal purposes of the GLA as set out in section 30(2) which are:

- promoting economic development and wealth creation in Greater London
- promoting social development in Greater London

- promoting the improvement of the environment in Greater London

6.2 The contents of this paper indicate that the decision requested of the Mayor is within the GLA's statutory powers.

7. Planned delivery approach and next steps

7.1 The project will be completed according to the following timetable:

Activity	Timeline
Completion of the new lease of the Golf Driving Range	End of July 2024
Planning application	5 September 2024

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 be published either 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? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the 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:

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

✓

Sponsoring Director:

Tim Steer has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Tom Copley has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board

This decision was agreed by the Mayoral Delivery Board on 1 July 2024.

✓

INTERIM CHIEF FINANCE OFFICER:

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

Signature:



Date:

08/07/2024

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature:



Date:

08/07/2024

