GREATER**LONDON**AUTHORITY

Our reference: MGLA191026-0093

5 November 2026

Dear

Thank you for your request for information which the Greater London Authority (GLA) received on 16 October 2026. Your request has been considered under the Environmental Information Regulations (EIR) 2004.

You requested:

Please provide electronically:

- The complete Part 2 of DD1504[1], "Variations to Land Disposal Agreement at
- Greenwich Peninsula", approved on 25 April 2016, including its attachments.

The recorded legal rationale for non-publication and the latest recorded review of continued withholding, if held.
Please consider this under the Environmental Information Regulations 2004, particularly regulation 2(1)(c) and (e), because it concerns land-development measures and their financial analysis. Apply FOIA to any information falling outside EIR.

Part 1 confirms that Part 2 exists. It also discloses a 20% internal-rate-of-return hurdle, the risk that GLAP receives no overage, and the significance of deductible costs. It states that minimum land value and best consideration were protected.

Disclosure would enable scrutiny of those protections, the allocation of development returns from public land, and the relationship between GLAP's commercial terms and Greenwich's planning arrangements.

Please assess sensitivity at the date of this request, considering the passage of more than ten years and whether relevant terms remain operative, have been superseded or are already public.

For any withholding, identify the precise exception or exemption and explain its application to the information concerned. If relying on commercial confidentiality, identify the protected interest and specific anticipated harm; under regulation 12(5)(e), also identify the legal basis of confidentiality. Explain the public-interest balance, applying the EIR presumption favouring disclosure where applicable.

[1] DD1504 Variations to Land Disposal Agreement at Greenwich Peninsula | London City Hall

Please disclose all reasonably separable information and identify the basis for each redaction. A historical "confidential" designation alone does not establish a current exception.

Our response to your request is as follows:

Please find attached a copy of the information that the GLA holds within the scope of your request.

Please note that some information has been withheld under regulation 12(5)(e) of the Environmental Information Regulations 2004 (EIR), which provides an exception where disclosure would adversely affect the confidentiality of commercial or industrial information, where that confidentiality is provided by law to protect a legitimate economic interest.

The withheld information comprises commercially sensitive financial details relating to the development of GLAP-owned land, including overage arrangements and percentage splits.

The GLA considers that regulation 12(5)(e) is engaged because:

- the information is commercial in nature and relates to the financial and contractual arrangements underpinning the development and disposal of land;
- the information is not publicly available and has the necessary quality of confidence;
- confidentiality of the information is protected through the common law duty of confidence and/or contractual obligations of confidentiality; and
- disclosure would adversely affect the legitimate economic interests of both GLAP and relevant third-party commercial partners.

Disclosure would reveal sensitive information about financial assumptions, overage mechanisms and commercial negotiations. This would provide developers, landowners, investors and other market participants with insight into GLAP's approach to land transactions and the commercial terms it may be prepared to accept. Such disclosure would be likely to weaken GLAP's position in current and future negotiations relating to land disposals, acquisitions and development agreements, thereby adversely affecting its ability to secure best value from public assets.

Disclosure would also adversely affect the legitimate economic interests of third-party organisations by revealing confidential information relating to their commercial arrangements, profit expectations and financial positions. Competitors and counterparties could use this information to their advantage in future negotiations or commercial activities.

Public Interest Test

The GLA recognises the public interest in openness and transparency regarding the management and development of publicly owned land. Disclosure would assist public understanding of the financial aspects of the transaction and promote accountability in relation to decisions affecting public assets.

The GLA has also taken into account the EIR presumption in favour of disclosure contained in regulation 12(2).

However, there is a strong public interest in protecting confidential commercial information where disclosure would adversely affect legitimate economic interests. Releasing detailed information concerning land values, overage provisions, percentage splits and profit figures

would be likely to undermine GLAP's ability to negotiate effectively in future transactions and could reduce the value achieved from publicly owned land. This could ultimately result in detriment to the public purse.

There is also a public interest in ensuring that public authorities are able to participate in commercial markets on an equitable basis and in maintaining the confidence of private sector organisations when engaging in commercial transactions with public bodies. Disclosure of confidential commercial information in these circumstances would be likely to prejudice those interests.

Having considered the competing public interests, and taking account of the presumption in favour of disclosure, the GLA considers that the public interest in maintaining the exception under regulation 12(5)(e) outweighs the public interest in disclosure.

If you have any further questions relating to this matter, please contact me, quoting the reference MGLA191026-0093.

Yours sincerely

Information Governance Officer

If you are unhappy with the way the GLA has handled your request, you may complain using the GLA's FOI complaints and internal review procedure, available at:
https://www.london.gov.uk/about-us/governance-and-spending/sharing-our-information/freedom-information

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DD1504

Title: Variations to Land Disposal Agreement at Greenwich Peninsula

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.

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

It contains commercially sensitive information. The information is therefore covered by section 43(2) (commercial interests) of the Freedom of Information Act.

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed:
31/03/2018

Legal recommendation on the grounds of keeping the information confidential:

The information in Part 2 below contains information that relates to the commercial and business interests of Knight Dragon and GLAP, the disclosure of which could prejudice those interests. For these reasons it is considered that the information below is exempt from publication in reliance upon the exclusion contained in section 43(2) (commercial interests) of the Freedom of Information Act 2000.

The section 43 exemption is a qualified exemption and its use is therefore subject to a public interest assessment. At present, on balance, it is considered that the public interest is best served if the information is not disclosed. Disclosure by GLAP would be likely to have a detrimental effect on the commercial interests of Knight Dragon and GLAP. It is considered that this outweighs the general public interest in disclosure for reasons of transparency of decision making.

The eligibility of these exemptions should be reassessed in the event of an FOI request for this information as the level of sensitivity will change over time and different circumstances may alter the arguments in favour of non-disclosure.

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

Name [redacted] **Date** *20.04.2016*

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

Confidential decision and/or advice:

Introduction

Knight Dragon (KD) was granted full outline planning permission for a new masterplan in December 2015. KD wish to amend the Land Disposal Agreement (LDA) both to reflect the revised scale of development proposed under the new masterplan and to renegotiate the commercial terms under which land is drawn down from GLAP. As outlined in part one of this paper, GLAP has now agreed commercial terms with KD and intends to enter into a Deed of Variation to the Land Disposal Agreement and the Land Assembly Agreement.

As part of the submission to Royal Borough of Greenwich, Knight Dragon commissioned BNP Paribas Real Estate to produce a viability analysis (known as the FVA) to underpin the planning application. The FVA stated that the development as proposed ran at a profit deficit to Knight Dragon of circa £2bn, based on current costs and values. The FVA further asserted that the viability of the scheme was in such a poor position that no affordable housing could be delivered. Given that any planning permission is extremely unlikely to be awarded without the provision of affordable housing, KD proposed an affordable housing percentage of 25%, with a review mechanism. The review mechanism allows for additional affordable housing or off site contributions to be provided (up to a cap of £157m – the sum agreed by both parties to take affordable provision from 25% to 35%) but this only applies once the viability appraisal shows an Internal Rate of Return of 20% to KD.

The review mechanism agreed with RBG provides for an 'underage', so that if IRR dips below 20%, affordable housing contributions are clawed back by KD in later phases, either through a reduced offsite payment or a change in the tenure of housing provided i.e. fewer affordable and more private units.

Proposed amendments

There are a number of amendments proposed to the commercial terms currently outlined in the LDA. These changes are sought by KD to bring some of its key financial arrangements with GLAP in line with those agreed with RBG. Minimum Land Value payments will not be amended, currently [redacted] of consented GEA with an RPI indexation. MLV ratchets to [redacted] (also subject to RPI) once KD deliver 7m sqft of development.

Further, GLAP has sought to strengthen its position in respect of delivery, securing clauses that oblige KD to provide a minimum quantum of residential floorspace in order that 'land banking' and periods of development inactivity are discouraged.

GLAP will also include provisions for robust monitoring of the project development account, along with a methodology used for determining overage payments drafted by its commercial property consultants.

The key changes are as follows:

- Relevant Proportion payments are withdrawn. GLAP will move to recover its top up land payment/overage only once KD has achieved a hurdle of 20% Internal Rate of Return (IRR) on capital invested costs incurred. GLAP has appointed a commercial property expert to produce a methodology for the project IRR cashflow to ensure transparency is maintained and key principles are agreed with KD. This methodology will be appended to the development agreement. The project cashflow will be appraised at each review date by an appointed commercial expert who will determine whether a surplus has been produced and a sum is owed to GLAP.

- GLAP will carry out a review of the scheme appraisal every five years in order to determine whether overage is due. This replaces the assessment undertaken at the date of grant of every lease as under the existing LDA.

- Should overage become payable, it is fixed, with no clawback should IRR slip below 20% (this is a commercial improvement on the terms agreed between KD with RBG, reflective of GLAP's commercial position as landowner rather than planning authority).

- Any overage secured by KD is to be distributed [redacted] to GLAP and [redacted] to KD.

- Minimum delivery provisions in the legal documents are strengthened, providing for obligations across three limbs:
    - KD must deliver an absolute minimum of 300,000sqft of residential development in each Minimum Development Obligation (MDO) period (5years). Failure means the option can be terminated (subject to force majeure).
    - KD must deliver a minimum base area of development during each MDO period (subject to viability and expert determination provisions). Failure means GLAP is entitled to withdraw KD's options to extend the development agreement sequentially (i.e. reduced by 5 years each time) from a maximum period to 2048 but with the ability for the developer to recover this if it 'catches up' so that its aggregate development targets are met.
    - Should a period of inactivity commence, GLAP is entitled to serve notice on KD if KD fail to proceed with development subject to a robust independent marketing viability test being satisfied. KD must then begin construction within 12 months of notice being served (subject to expert determination).

- Methodology – agreement on IRR calculation assumptions is key to GLAP's ability to recover overage at the appropriate time. The Deed of Variation will include a detailed methodology for calculation of IRR, along with provisions that allow for GLAP to call for financial information from KD on a regular (6 monthly) basis.

11 plot deal

In Feb 2014 GLAP entered into a Deed of Variation to the LDA to accelerate the delivery of 11 plots of residential development on the Peninsula. The deal allowed for MLV payments to GLAP to be deferred – [redacted] payable on plot completion rather than grant of lease and the balance only due once KD breach a [redacted] profit on cost threshold across the 11 plots cumulatively. It is proposed that the structure of this deal is amended to give GLAP more certainly around recovery of its Minimum Land Value.

- Meridian Quays plots are withdrawn from the 11 plot deal, instead replaced by Peninsula Central East (PCE) plots. This brings MLV payments forward earlier in the development timeline.
- MLV will continue to be paid in full at draw down of land on the PCE scheme.
- MLV on the existing PRI/PRII plots will continue to be paid on practical completion of the blocks at [redacted] of the total.
- The remaining deferred [redacted] on all PRI/PRII plots will be paid if profit on cost across the plots exceeds [redacted]. Relevant proportion payments are withdrawn with overage payable on PCE plots through the IRR mechanism.

State aid and procurement challenge

As a precursor to any binding commercial agreement GLAP has sought legal advice. Any change to key commercial elements of the deal could place GLAP under scrutiny and at risk of procurement and state aid challenge. GLAP's public law duties need to be robustly assessed and any final deal must comply with these duties.

On procurement, GLAP is advised that any changes to the LDA should be agreed such that they do not constitute a material change to a public works contract, so as to minimise the risk of procurement challenge. GLAP's legal advisors have overseen the drafting of the Deed of Variation and have confirmed that the risk of challenge in this regard is minimal.

Secondly, it is necessary to consider the State Aid implications of any change to the commercial terms of the deal. GLAP is advised that any commercial agreement needs to be independently assessed to be equally as financially beneficial or more financially beneficial to GLAP as that which it replaces.

Under provisions included in the Deed of Variation, GLAP will have the right to terminate the agreement if KD fails to build out agreed proportions of the land within specified timeframes, subject to force majeure. GLAP will have the ability to take back the land (and, if it wishes thereafter, to establish a new partnership/agreement to ensure homes are built for Londoners) if KD does not progress delivery at an agreed rate. Ensuring the flow of MLV during normal market conditions is a key priority and represents a substantial improvement on the existing provisions which only commit the developer to delivery of 4m sqft of development (which has almost been achieved).

GLAP's commercial property advisors indicate that the Deed of Variation allows for GLAP to benefit from substantial overage payments should the market continue to grow in line with historic and recent trends. A side by side analysis of the current LDA payment mechanics against the changes agreed (prepared by GLAP's commercial property advisors) shows that, under prevailing long term housing market conditions, the potential overage return to GLAP far exceeds that potentially due under the current arrangements.

Inevitably, there are risks associated with overage recovery based around an IRR threshold, particularly on large, multiphase developments such as Greenwich Peninsula. Developments over extended periods of time become subject to changes in the market. The changes agreed with KD allow the developer certainty on an agreed Rate of Return for their extensive investment, whilst also providing greater certainty to GLAP on rate of delivery and protection of Minimum Land Value payments. The uncertainty usually associated with overage recovery on large, multiphase development projects is not mitigated by the revised deal.

Based on analysis of the development cashflow under the new methodology provided to GLAP by its advisors, overage is more likely to become payable in the later phases of the project. The same analysis shows that these payments are likely to exceed those payments which may become due under existing arrangements. The proposed amendments to the LDA provide for appropriate security provisions (e.g. charging, lease drawdown restrictions, profit restriction mechanisms) to be introduced to ensure that overage is protected as the development progresses towards later phases.