

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DD2049

Title: Disposal of the Greenwich Coaling Jetty

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This information is not for publication until the stated date, because:

It contains commercially sensitive information in relation to the proposed terms of the disposal of the coaling jetty to Knight Dragon. 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: 30 November 2017

Legal recommendation on the grounds of keeping the information confidential:

The information in this Part 2 is information the disclosure of which would be likely to prejudice the commercial interests of GLAP. It is therefore covered by section 43(2) (commercial interests) of the Freedom of Information Act 2000. It contains information as to value and price which if disclosed would adversely affect GLAP's ability to negotiate commercial agreements.

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

Name: Benjamin Shore

Date: 22 August 2016

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

Confidential decision and/or advice:

1. Valuation advice

- 1.1. GLAP has sought valuation advice from Montagu Evans with regards to the disposal. Montagu Evans reviewed the information provided by Knight Dragon and then valued the interest in three ways:

- a. On the basis of updating the unused element of the premium paid in 2000 for the Licence to current values by reference to the increase in the RPI over the intervening period (£56,100)
 - b. On the basis of updating the unused balance of the premium paid in 2000 for the Licence by reference to the application of compound interest factor of 3% per annum from 2000 (£59,500); and
 - c. By assessing the value of the unexpired term of the Licence on the basis of a ground rental value (£51,092).
- 1.2. Having regard to the three valuations Montagu Evans established a consideration of £55,000 would be acceptable. Following initial negotiations the price was proposed to Knight Dragon and agreed subject to contract.

2. Heads of Terms

2.1. GLAP and Knight Dragon have agreed the following terms

- Sale of a chattel with the benefit of a licence
- Consideration £55,000 (+VAT)
- Legal costs – Knight Dragon to pay GLAP's legal costs
- Valuation costs – GLAP to pay own valuation costs (£2,000 +VAT)
- Conditions – sale is subject to GLAP internal approval but not conditional on planning or a licence from the PLA

2.2. A Contract of Sale will be prepared by the GLA's legal advisor Berwin Leighton Paisner.

3. Financial implications

- 3.1. This decision seeks approval for the disposal of the Greenwich Coaling Jetty (as a chattel) to Knight Dragon, for a consideration of £55,000 + VAT. The consideration is based on professional valuation provided by Montagu Evans, chartered surveyors. Any profits arising from the disposal will be liable to corporation tax, although this may be offset against brought forward trading losses.
- 3.2. Valuation costs of £2,000 + VAT will be covered from Greenwich Peninsula Professional Fees budget, whereas Knight Dragon agreed to cover GLAP's Legal costs.
- 3.3. Any changes to this proposal, including a request for additional funds, must be subject to further approval via the Authority's decision-making process.