

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD274

Title: Land at Wembley to Quintain, Network Rail and London Borough of Brent

Executive Summary:

The Wembley Regeneration project, agreed between Quintain Estates Development PLC (QED) and the London Development Agency (LDA) is to be delivered on land acquired through a Compulsory Purchase Order.

Following the 2012 Statutory Transfer from the LDA to the GLA and GLAP, GLAP is now contractually required to transfer the freehold interest in the Regeneration Land to QED under the terms of the agreement between the LDA and Wembley (London) QED of 07 May 2004 as varied (the Development Agreement).

The asset protection agreement (APA) of 5th February 2005 between Network Rail, the LDA and London Borough of Brent (LBB) outlines that the remainder of the land within GLAP ownership (shown coloured green on the plan at Appendix 1) is to be transferred to LBB as soon as practicably possible after the transfer of the Regeneration Land to QED.

There is a further piece of land containing Network Rail cables that GLAP is required to transfer to Network Rail for operational reasons, along with a piece of the station platform (Appendices 4 and 5).

The GLA will also be acquiring three small slivers of land to transfer on to QED and LBB to complete the land assembly as required under the Development Agreement.

A plan showing the land ownerships is included at Appendix 1 and a plan of the land slivers is at Appendices 2 and 3. A plan of the Network Rail land at Appendices 4 and 5.

Decision

That the Assistant Director approves:

- 1) the freehold transfer of the Regeneration Land (as shown in blue and pink on the plan at Appendix 1) to Quintain Estates Development;
- 2) the transfer of the Station Square Land (as shown in green on the plan at Appendix 1) to London Borough of Brent.
- 3) the inclusion of the land slivers (as shown in the plan at Appendices 2 and 3) into the land holdings to be transferred to Quintain Estates Development and London Borough of Brent;
- 4) the transfer of the Cable Land and the platform land (as shown in the plan at Appendices 4 and 5) to Network Rail.

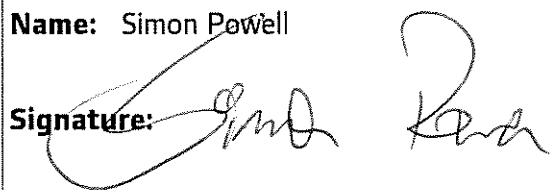
AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

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: Simon Powell

Signature:



Position: Assistant Director - Strategic Projects and Property

Date:

12/05/15

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Following the completion of the Development Agreement which contained obligations for the LDA to use its powers to assemble land for the scheme, a Compulsory Purchase Order was confirmed in 2004 with the LDA as the 'Acquiring Authority' for a large site adjoining Wembley Stadium Station and the Chiltern Railway Line. The LDA planned to upgrade access to the station, including provision of a new public square (Station Square) to improve links between the new National Stadium, which was constructed in 2007, and Wembley town centre, and assemble a development site for regeneration. This scheme was one of a package of projects being undertaken to ensure the successful delivery of the new National Stadium and to secure benefits for the local area from that development, as well as provision of a mixed-use scheme on previously vacant and contaminated land.
- 1.2 The land assembly, using CPO powers, was secured by way of a notice to treat (NTT) and general vesting declarations (GVDs) served in 2004 and 2007 respectively, which created a legal obligation on the LDA to compensate the affected former owners of the site – British Railways Board Residuary, REI Limited and Network Rail Infrastructure Limited. The physical works, including the iconic White Horse Bridge and the Station Square (as shown in green on the plan at Appendix 1), have long been completed. The remainder of the site is now largely cleared.
- 1.3 The land assembled by the LDA is now part owned by the GLA and part owned by GLAP as the land not acquired under CPO by the time of the Statutory Transfer of assets from the LDA to the GLA and/or GLAP in 2012 needed to be acquired, and therefore transferred to, the GLA as the statutory body with CPO powers. For the avoidance of repetition this ADD refers to GLAP only throughout but the landholdings will be transferred, once approval is given, from both the GLA and GLAP.
- 1.4 The LDA has previously received the agreed sum of £8.3m from QED in respect of the land acquired as provided for under the Development Agreement.
- 1.5 **Freehold Transfer to QED:** Under the terms of the existing Development Agreement GLAP is contractually obliged to transfer the freehold of the Regeneration Land (as shown in pink and blue the plan at Appendix 1) to QED. There was a long stop date of 7 May 2014 within the Development Agreement by which title must have been transferred to QED or the sum of £8.3m was required to be returned to QED. However, this date was required to be extended by agreement a number of times as there have been a number of issues that have been lengthy to resolve, such as settling the CPO claims, acquiring small land strips from Network Rail Infrastructure Limited (NRIL) to enable us to pass the entirety of the land to QED, negotiating the release of covenants that remained on the land, and ensuring that we are able to grant the necessary rights to the various parties.
- 1.6 **Freehold transfer to LBB:** By virtue of the Asset Protection Agreement GLAP are contractually obliged to transfer the remainder of the non Regeneration land to LBB (as shown in green on the plan at Appendix 1). Much of this land is subject to a 999 year lease to QED, limiting the use of the land to a public square of which GLAP has retained the residual freehold, the rest is public access. All is adopted highway and the land has no development value.
- 1.7 **Freehold transfer to Network Rail:** The Cable land shown in the plan in Appendix 4 is included in the Regeneration Land, and as such is contractually bound to transfer to QED under the terms of the development agreement. As it contains Network Rail cables essential for operation of the railway

QED were then to transfer this to Network Rail. There are a number of covenants that are not relevant to this land that would apply if the transfers were enacted in this way, and therefore we propose that GLAP transfers the land directly to Network Rail rather than via QED, who are in agreement to this. The land has nil development value to GLAP by virtue of it containing Network Rail operational assets. The LDA also vested a small part of Network Rail's platform (shown on the plan at Appendix 5)

- 1.8 **Rectification of Land Assembly:** Whilst all the required land was included in the original CPO, three slivers were not acquired (Plan in appendices 2 and 3). We are unsure of the reasons for this but we believe that they remain in the ownership of NRIL. A deed of rectification has been agreed with NRIL to ensure that the land is in the correct ownership. Because of the location of the land it will be acquired by the GLA briefly before being transferred immediately on to LBB (in the case of areas A and C on the plan at Appendix 2) or QED (in the case of area B on the plan at Appendix 3). This land is being acquired at nil value and is being acquired in accordance with the original compulsory purchase order, and as it is contractually committed to be transferred on to the respective parties under the Development Agreement and the APA, has nil value to the GLA. This transaction is in the interests of tidying up the land holdings and fulfilling our contractual obligations.
- 1.9 GLAP must now complete the freehold transfers as quickly as possible in order to fulfil our obligations under the DA and avoid further financial liabilities and significant costs.

2. Objectives and expected outcomes

- 2.1 GLAP needs to divest itself of any further liability for the site and to comply with the terms of the DA. The numerous agreements to be completed aim to regularise the position and fulfil all contractual obligations.
- 2.2 The land and leasehold transfers will allow QED to progress with the development as intended.

3. Equality comments

- 3.1 We have considered the impact on equality considerations in this action and have concluded that, being financial in nature, there is no negative impact on those with protected characteristics. Any work would be procured in line with GLA best practice.

4 Other considerations

- 4.1 A key risk to the GLA in not approving this ADD is the inability for GLAP to enact the transfer in a reasonable timeframe. We have a contractual obligation to use reasonable endeavours to transfer the land in a timely manner.
- 4.2 If GLAP allows the DA of 7 May 2014 (and subsequent extensions) to expire without the land being transferred as set out in this paper or without extending it reimbursement of the sum of £9m (inc. professional costs) would become due payable by the GLA to QED, and we would be likely to be in breach of contract.

5 Financial comments

- 5.1 GLAP does not hold any value for this asset as it was sold prior to transfer from the LDA. This ADD requests approval to release the title for this asset currently held with nominal value in the accounts, which concludes any contractual commitment resulting from this agreement.
- 5.2 There are no other financial implications relating to the release of this title.

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:
- i. Promoting economic development and wealth creation in Greater London;
 - ii. Promoting social development in Greater London; and
 - iii. Promoting the improvement of the environment in Greater London

and, in formulating the proposals in respect of which a decision is sought, officers confirm they have complied with the GLA's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people;
 - consider how the proposals will promote the improvement of health of persons in Greater London, promote the reduction of health inequalities between persons living in Greater London, contribute towards the achievement of sustainable development in the United Kingdom and contribute towards the mitigation of or adaptation to climate change in the United Kingdom; and
 - consult with appropriate bodies.
- 6.2 Sections 1 - 3 of this report indicate that the decision requested of the Director falls within the GLA's statutory powers.

7. Planned delivery approach and next steps

Activity	Timeline
Transfer Land	30 th May 2015

Appendices and supporting papers:

Appendix 1: Land Ownerships Plan

Appendix 2: Land strips A and C

Appendix 3: Land strip B

Appendix 4: Cable Land

Appendix 5: Platform Land

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval 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 the transfers have taken place.

Until what date: 1/7/15

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – No

ORIGINATING OFFICER DECLARATION:

Drafting officer
to confirm the
following (✓)

Drafting officer:

Caroline Cameron has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND RESILIENCE:

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

Signature:



Date:

12.05.15

