

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD1609

Title: Haringey Heartlands Disposal

Executive Summary:

The disposal of the GLA's interest in Haringey Heartlands to St William Homes was endorsed at HIG in November 2015, along with the accompanying financial commitment.

This paper seeks mayoral approval for GLAP to dispose of its long leasehold interest (which will be disposed alongside London Borough of Haringey's (LBH) freehold interest) in the Olympia Trading Estate (OTE) directly to St William Homes LLP, (the joint venture between National Grid and Berkeley Homes). This paper also seeks approval for the associated expenditure required to fulfil our statutory and planning obligations in order to dispose of the site.

Decision:

The Mayor approves:


- 1) disposal cost of £750,000 which includes the payment of c. £70,000 historical project costs to National Grid; and
- 2) disposal of the land and buildings at Olympia Trading Estate on the terms set out in the Part 2 confidential section.

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:

12.2.2016

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

Decision required – supporting report

1. Introduction and background

- 1.1 Previous approvals relating to this matter include DD1121 seeking expenditure for site investigation works and disposal costs.
- 1.2 The London Development Agency (LDA) acquired the 125 year long lease of the Olympia Trading Estate (OTE) in March 2004 (now held by GLAP) to secure a land interest to facilitate the future comprehensive regeneration of the site now known as Haringey Heartlands (HH).
- 1.3 OTE is an industrial estate comprising five warehouse units, all tenanted on short leases contracted out of the 1954 Landlord and Tenant Act, with the exception of one unit. Further details can be found in Part 2 (reserved).
- 1.4 The HH project commenced in 2006 when the LDA, LBH and National Grid (NG) agreed to combine their land assets to facilitate the comprehensive regeneration of a larger 4.6 hectare (11.2 acres) site known as Haringey Heartlands.
- 1.5 The HH site is located approximately 600m to the southwest of Wood Green town centre, to the southeast of Alexandra Park and 200 metres north of Hornsey Railway Station, within the administrative boundary of LBH. It comprises significant areas of vacant and non-operational utilities land (including two gasholders), in addition to OTE to the north. In 2008 LBH constructed and opened a new spine road running north-south through the centre of the NG land. A plan is included at Appendix 2.
- 1.6 The three partner land interests cover two distinct plots as follows:
 - **GLAP:** Olympia Trading Estate long lease - 2.08 acres (0.84 ha) equating to 19% of HH site by area;
 - **LBH:** Olympia Trading Estate freehold - 2.08 acres (0.84 ha) equating to 19% of HH site by area; and
 - **NG:** Gasholder site freehold – 9.04 acres (3.55 ha) equating to 81% of the HH site by area.
- 1.7 A detailed explanation of the long lease acquisition, existing tenancy position, rental income and statutory protected tenancy relocation compensation issue can be found in part 2 (reserved).
- 1.8 In November 2014 NG announced their intention to form a joint venture with Berkeley Homes called St William LLP with the objective of bringing forward residential and mixed use schemes on surplus NG sites including the site at HH. This has removed the uncertainty surrounding the identity of the eventual developer of NG's land interest and necessitated a re-evaluation of the optimum route to market for GLAP.

1.9 GLAP requires Mayoral approval to dispose of its interest to St William by way of a straightforward land disposal, subject to restrictions on the use of the site to residential. St William endorses this approach and has made an offer to GLAP for our part of the site. LBH are also supportive of this position and have cabinet approval to dispose of their freehold interest to St William.

1.10 A sale agreement has been drafted which includes a buyback option in the event of non-delivery, and a restriction on the use of the site to residential-led. The offer has been signed off by our valuation advisors as being at market value (further details in Part 2)

2. Objectives and expected outcomes

2.1 As endorsed by HIG GLAP intends to dispose of its interest in OTE for market value and in order that SWH can deliver homes in accordance with the planning permission and receive a capital receipt.

3. Equality comments

3.1 The GLA's public sector equality duty has been considered in relation to this recommendation and no specific issues have been identified as a result.

4. Other considerations

- a) This course of action is considered low risk as it is a straightforward disposal with appropriate measures to ensure residential delivery.
- b) This disposal will accelerate the delivery of housing on site as St William have obligations regarding starting on site.
- c) The site has an existing planning permission which was subject to the statutory public consultation.

5. Financial comments

See Part 2

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 Parts 1 and 2 of this report indicate that the decision requested of the Mayor falls within the GLA's statutory powers.

7. Investment & Performance Board

7.1 HIG public minutes noted the following from 10th November 2015:

That the disposal of the GLAP-owned part of the site directly to St William subject to achieving best consideration, including a buyback option and restriction on the use of the site to residential-led be endorsed;

7.2 That the recommendations set out in the private minutes be agreed.

8. Planned delivery approach and next steps

Activity	Timeline
Exchange of Sale Agreement	Jan 16
Completion of Sale Agreement	May 16
Start on Site	Q1 17
Indicative finish on site	2024

Appendices and supporting papers:

Site Plan

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? No

If YES, for what reason:

Until what date: (a date is required if deferring)

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 – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Caroline Cameron has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Assistant Director/Head of Service:

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

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

Richard Blakeway has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Blace

Date 11.2.16

CHIEF OF STAFF:

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

Signature

S. J. Blace

Date 11.02.16

