

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION – MD1453

Title: Sale of Plots D and F at White Hart Triangle, Plumstead to TfL Ltd

Executive Summary:

GLA Land and Property Ltd (GLAP) seeks the Mayor's approval for the sale of plots D and F at White Hart Triangle business park, Plumstead, to Transport for London (TfL) for the purposes of the Crossrail project. The land will be used as overnight storage and maintenance sidings for Crossrail trains.

This paper relates specifically to the Sale of land to TfL/Crossrail and is in addition to MD1250, which authorised GLAP to enter into alterations to the Joint Venture Agreements at White Hart Triangle with GLAP's development partner Tilfen Land Ltd.

The gross purchase price is subject to a deduction for asbestos remediation, agreed by GLAP and TfL, following interrogation by GLAP appointed consultants, Aecom. TfL will also undertake the relocation of a trunk sewer, at TfL's cost, across land to be retained by GLAP.

Decision:

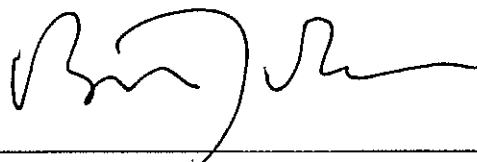
That the Mayor approves the sale of approximately 10.425 acres of land at White Hart Triangle to Transport for London on behalf of Crossrail.

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: 10.3.2015

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

Decision required – supporting report

1. Introduction and background

White Hart Triangle is a 25 acre employment site in Plumstead in the Royal Borough of Greenwich. Part of the site is owned by GLAP (as statutory successor to the London Development Agency (LDA))and part is owned by Tilfen Land Limited. In 2003, LDA, Tilfen and Greenwich Council entered into a joint-venture agreement, promoting the site for industrial development. The LDA invested substantial sums (largely funded by the European Regional Development Fund) in upgrading the road infrastructure and in partially remediating the land. Tilfen obtained outline planning permission for 1.1 million square feet of light industrial use and has obligations (and an exclusive right) to bring forward development on a speculative and design-and-build basis.

On 9 March 2010, the LDA and Tilfen entered into an agreement with Crossrail to allow temporary use of a plot of land at White Hart Triangle for construction purposes (shown as “reserved for future development” on the attached plan). The new Crossrail line is situated along the southern boundary of the site and Abbey Wood Station is a few miles away. This agreement removed the potential for Crossrail to exercise its right of compulsory purchase over the land. Pursuant to this agreement, Crossrail took possession of the plot in April 2011.

In the course of discussions, Crossrail requested to take additional land at the site for more extensive construction works, car parking and materials storage for a period up to 2018. Crossrail indicated that it wished to purchase the land outright for the creation of permanent overnighting sidings, once the railway line becomes fully operational. Development of this land will generate 30 additional jobs, serves to give GLAP a disposal route on a large portion of the remaining land and supports a key Mayoral infrastructure project.

On 20 February 2012, the LDA endorsed the decision to sell 10.425 acres of land at White Hart Triangle to Transport for London on behalf of Crossrail (TfL). The land is to be used as a railway construction site and later as a train overnighting facility. A sale price for the land (plots D, F and Plot 112b) was agreed, together with Crossrail agreeing to relocate the Marmadon Road Sewer at nil cost to GLAP. This sewer currently crosses plot E and its routing and poor condition would adversely affect the future development potential of the GLAP’s retained land if left in its current location and condition.

2. Objectives and expected outcomes

The terms of a land transfer have been agreed and a sale of land at White Hart Triangle to TfL is now recommended. The key elements of the transaction are:-

- Sales income to be paid to GLAP in the 2014/15 financial year;
- Sales income in excess of the pro rata plot book value, leaving a further 9.78 acres of GLAP land available to generate future sales income through the joint venture with Tilfen Land;
- Supporting a key piece of London’s transport infrastructure and generating approximately 30 jobs for the local area that would otherwise have been located elsewhere;
- Procuring at nil cost the relocation of a major trunk sewer, maintaining the development potential of GLAP retained land;
- Payment of GLAP’s legal costs.

A range of variations to the Joint Venture agreement between GLAP and Tilfen Land have been finalised and documented. These variations were presented to Housing Investment Group in May 2013, were agreed in Mayoral Decision MD1250, and include an extension of the agreement to 2020, re-phasing of

development expectations, improved accounting transparency and improved flexibility on the type of development permitted on site.

Historically, the Joint Venture Agreement did not permit outright sale of plots to third parties; however, Tilfen Land agreed to allow the GLAP to sell the land to Crossrail and retain 100% of the capital receipt on the basis that Tilfen are permitted to withdraw two plots under their ownership from the JV.

3. Equality comments

It is decided that there are no equality implications as a result of this land transfer to Crossrail. Crossrail, as the purchasing party, holds and regularly monitors its own equalities policy.

4. Other considerations

Sewer Relocation

TfL/ Crossrail have undertaken to construct and connect a new sewer into the Southern Outfall Sewer, thereby bypassing the WHT drainage system and safeguarding future GLAP drainage requirements at no cost to GLAP.

GLAP has issued a licence to Crossrail to allow the construction of the sewer. The sewer will become the property of Thames Water once complete.

5. Financial comments

Finance comments are given in the confidential part 2 section of this paper

6. Legal comments

- a. GLAP has been advised by its external lawyers on this project since the property, rights and liabilities of the LDA were transferred to GLAP in April 2012.
- b. Section 30 of the Greater London 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.
- c. Sections 1 and 2 of this report indicate that the decision sought of the Mayor falls within the powers set out above.
- d. It should be noted that as GLAP will be a party to the legal documentation, GLAP will also need to approve the transactions described in this paper in accordance with GLAP's constitution.

7. Investment & Performance Board

Housing Investment Group (HIG) endorsed the recommendation to dispose of the land to Crossrail at the meeting in Nov 2013. HIG minutes state:

- That the sale of approximately 10.425 acres of land at White Hart Triangle to Transport for London, as per the terms outlined at section 2 of Appendix B to the report, be endorsed for onward approval by the Mayor; and
- That the TfL undertaking for the relocation of a trunk sewer, at TfL's cost and across land to be retained by the GLA Land & Property Ltd (GLAP), be noted

8. Planned delivery approach and next steps

Activity	Timeline
Final terms agreed with Crossrail/TfL	Dec 2015
Mayoral Decision	Feb 2015
Transfer completed	Mar 2015

Appendices and supporting papers: None

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: William Stewart

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. Allen

Date

9.3.15

CHIEF OF STAFF:

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

Signature

*Approved by Sir Edward Lister
by email on*

Date

10.3.2015

