

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR'S DECISION – DD2117

Title: Disposal of Ordnance Jetty, Greenwich Peninsula

Executive Summary:

GLAP has been approached by the Arora Hotels group with regards to a potential sale of the Ordnance Jetty on Greenwich Peninsula. The jetty is currently part of GLAP's portfolio and will be sold as a chattel. As detailed below payment for the asset will satisfy the Best Consideration threshold and the disposal is subject to a number of conditions before completion.

Decision:

The Executive Director of Housing and Land and the Executive Director of Resources approve:

- the sale of the Ordnance Jetty to Arora Hotels
- initial expenditure of fees up to a maximum of £7,000, part of which will be recovered from Arora upon completion of the sale.

AUTHORISING DIRECTORS

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: David Lunts

Position: Executive Director, Housing & Land

Signature:



Date: 25-04-17

Name: Martin Clarke

Position: Executive Director, Resources

Signature:



Date: 24.4.17

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

Decision required – supporting report

1. Introduction and background

- 1.1. The Ordnance Jetty lies to the northwest of the Greenwich Peninsula; it forms part of the Greenwich Peninsula land holdings that passed to GLAP as a result of the transfer of the Homes and Communities Agency London (HCA) in 2012 following the Localism Act 2011. Since that time GLAP has been responsible for the security and maintenance of the jetty.
- 1.2. The jetty is a fixed structure, ie, it does not float and therefore becomes unusable outside of high tide. Over a number of years, and as a result of the lack of purpose for the jetty, the structure has fallen into disrepair and has required security measures to ensure that members of the public do not gain access to it.
- 1.3. It is noted that the jetty disposal is a disposal of a chattel: the structure can be sold but the land upon which it sits is Crown Estate and therefore the land is not passed with the structure.
- 1.4. The current financial commitment to the jetty is approximately £5,000 per year which includes:
 - Maintenance of the four river navigation lights located two at each end of the jetty;
 - Installation of a temporary man-safe system to allow for access for the above or other works;
 - General pruning and clearance of the top habitat; and
 - Monthly visual inspection and security check.
- 1.5. An additional £5,000 per annum is spent on the PLA licence fee; this fee would be subject to termination on sale of the pier and therefore would not transfer to the purchaser. It would be for the purchaser to make their own application for licence.
- 1.6. GLAP had not previously identified a disposal route and therefore the jetty was forecast to remain part of the ongoing estate management costs of the Greenwich Peninsula. Any disposal would represent a saving to the management budget.
- 1.7. In October 2016 GLAP was approached by the Arora Hotels Group (AHG) who wish to purchase the jetty to enable the hotel to implement a river crossing strategy to link to a partner hotel on the north side of the Thames and provide guests with direct transport and a river taxi experience.

2. Objectives and expected outcomes

- 2.1. GLAP has undertaken a valuation of the structure to ensure that a transaction at market value is taking place and that a better receipt could not be achieved through marketing the structure more widely. The valuation report has considered any likely alternative uses of the pier as part of reaching a conclusion as to value.
- 2.2. By disposing of the jetty to the AHG GLAP would reduce its maintenance liabilities and secure an ongoing use for the jetty which would be a benefit to guests of the hotels and possibly a wider user group.
- 2.3. The ongoing responsibility for the jetty would pass to the AHG and GLAP would cease to operate any control over the use and form of the jetty.
- 2.4. Recognising that there are a number of key stakeholders working on redevelopment of the Greenwich Peninsula in close proximity to the site, GLAP has raised the sale with its partners AEG, operating the O2 and Knight Dragon, developing the neighbouring commercial and residential space and no objection was raised to the sale.

3. Equality comments

- 3.1. The disposal has been reviewed in relation to GLAP's equality duty and it is not considered to conflict with the duty.

Other considerations

3.2. Mayor's river crossings

The proposed crossing facilitated by the refurbishment of the jetty will not satisfy the Mayor's identified river crossing in this area because it will not be operated for the general public. However, it is understood that it will provide a guest facility and a commercial benefit to the hotels on each bank.

3.3. Best consideration

GLAP has secured a valuation for the structure and a consideration has been agreed with the AHG for the transfer of the chattel.

3.4. Key risks

The risk relating to access and potential dangers to the public and responsibility for maintenance and financial expenditure on the jetty would be transferred to the AHG and therefore reduce the risk to GLAP.

4. Financial comments

4.1. See part 2

5. Legal comments

5.1. GLAP is advised by Berwin Leighton Paisner in respect of the Greenwich Peninsula project and in respect of this disposal as noted above.

5.2. The purposes of the GLA as set out in section 30(2) which are:

- Promoting economic development and wealth creation in Greater London;
- Promoting social development in Greater London; and
- Promoting the improvement of the environment in Greater London

5.3. It should be noted that as GLAP will be party to the legal documentation, GLAP will also need to approve the proposed disposal in accordance with its constitution.

6. Planned delivery approach and next steps

Activity	Timeline
Exchange of contracts	April 2017
Conditions satisfaction	May 2017
Completion of contracts	May 2017

Appendices and supporting papers:

Appendix 1: 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? YES

If YES, for what reason:

To allow for the completion of commercial contracts

Until what date: (a date is required if deferring) 1 July 2017

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:

Philippa Bancroft has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

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

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 24 April 2017.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Blc

Date

24. 4. 17