

GREATER LONDON AUTHORITY

[REDACTED]
(By email)

Our Ref: MGLA030419-9457

30 April 2019

Dear [REDACTED]

Thank you for your request for information which the GLA received on 3 April 2019. Your request has been dealt with under the Environment Information Regulations (2004).

You requested:

I am interested in the Anthology development and their recent receipt of up to £22m from the Homes for Londoners Land Fund. Can you please provide their application and any information associate with the decision and case for lending Anthology the funds?

Our response to your request is as follows:

Please find attached some of the information we have identified as within scope of your request:

- [Director Decision 2305 \(Part 1\)](#).
- Redacted copy of the Anthology's proposal - GLA Loan Structure (relevant to the £22m Loan – Woodlands & Masters House).

The following information has been withheld from disclosure:

- Redacted content within the Anthology GLA Loan Structure.
- Director Decision 2035 (Part 2).
- GLA Land and Property (GLAP) fund and investment committee papers - Tuesday 24 July 2018 (Item 6 - Anthology Loan Finance).
- Appendix 2 - Anthology: Woodlands (Loan value word document).

Some content within the Loan Structure document is exempt from disclosure under Regulation 13 (Personal information). Personal information relating to the names and contact details of staff members constitutes as personal data which is defined by Article 4(1) of the General Data Protection Regulation (GDPR) to mean any information relating to an identified or identifiable living individual.

It is considered that disclosure of this information would contravene the first data protection principle under Article 5(1) of GDPR which states that Personal data must be processed lawfully, fairly and in a transparent manner in relation to the data subject. It is considered that none of

the conditions allow the processing of the information apply in this case as the subjects have not consented to the use of their data for an alternative purpose (namely disclosure under the EIR).

Further content falls under the exception to disclose in Regulation 12 (5)(e) (confidentiality of commercial or industrial information) of the EIR. Applying the four-stage test from *Bristol City Council v Information Commissioner and Portland and Brunswick Squares Association* (EA/2010/0012, 24 May 2010):

- **The information is commercial or industrial in nature.**

The information withheld from disclosure details:

- a) Anthology Group information shared with the GLA for due diligence.
- b) Detailed information including level of gearing and sales recycling.
- c) Project financial information including cost assumptions and book values and sales completions.
- d) Project and contractual terms of investment including the rate of interest.

The information can therefore be considered as commercial or industrial in nature.

- **Confidentiality is provided by law.**

Financial due diligence including information on Anthology's other subsidiaries, the group structure, and loans in other companies was provided confidentially to the GLA in our capacity as a lender. This information is not already in the public domain, nor is it trivial in nature. The loan information is subject to confidentiality restrictions provided in the loan agreements for these other companies and can only be shared in a limited fashion with group stakeholders for due diligence and therefore protected by the common law of confidence.

- **The confidentiality is protecting a legitimate economic interest.**

Disclosure would cause harm to the commercial interests of Anthology and the GLA and these are considered as legitimate economic interests. In relation to the legitimate economic interests, the Information Commissioner's guidance states:

'Legitimate economic interests could relate to retaining or improving market position, ensuring that competitors do not gain access to commercially valuable information, protecting a commercial bargaining position in the context of existing or future negotiations, avoiding commercially significant reputational damage, or avoiding disclosures which would otherwise result in a loss of revenue or income'.

Disclosure would be likely to affect Anthology's commercial negotiating position with contractors working on the site and their pricing. Disclosure of rate setting would provide a benchmark for future lenders to compare to and potentially set their terms at less competitive rates.

Disclosure of budget related information and working assumptions for the cost of development would be likely to result in competitors using the information when bidding for new sites and result in contractors adjusting their pricing. Anthology would therefore lose any tender advantage from a procurement process.

For the same reason as above, the public will not have the same access to achieved prices in the area but rely on Anthology asking prices in the marketing material. If the completions are easily accessible, then it will limit Anthology's ability to push prices over time as the market lifts or to easily price on the development's merits.

Disclosure would also prejudice the GLA's position in delivering more genuinely affordable homes and in negotiating future transactions, as for example, the GLA's funding conditions and interest rate setting would be known by counterparties.

- **The confidentiality would be adversely affected by disclosure.**

Disclosure of the information would inevitably harm the confidential nature of it and therefore the exemption at Regulation 12(5)(e) is engaged in respect of disclosure of the redacted information.

- **Public interest**

Regulation 12(5)(e) constitutes a qualified exemption from our duty to disclose information under the EIR, and consideration must be given as to whether the public interest favouring disclosure of the information covered by this exemption outweighs the public interest considerations favouring maintaining the exemption and withholding the information.

The GLA acknowledges that there is a public interest in the activities being undertaken with regards to the Anthology Loan and a specific public interest in the transparency of the GLA's achievement in delivering Mayoral commitments.

However, it is not in the public interest to prejudice third party negotiating position and the request comes at a time where the developer is yet to commence commercial negotiations with contractors.

The principle underpinning the timing of requests in balancing the public interest in nondisclosure was similarly expressed by the Commissioner in his decision on FS50538429. While acknowledging the strong public interest in overall transparency and accountability, he found that on balance the public interest still favoured maintaining the exception:

90. However, in this case, the Commissioner considers there is a stronger public interest in maintaining the exception due to the specific circumstances at the time of the request and the very fact that no commercial negotiations had been entered into between the developer and its own prospective clients

We therefore find that the public interest is therefore balanced in favour of non-disclosure of the redacted information because of the harm its release would cause. If you have any further questions relating to this matter, please contact me, quoting the reference MGLA030419-9457.

If you have any further questions relating to this matter, please contact me, quoting the reference at the top of this letter.

Yours sincerely

Paul Robinson
Information Governance Officer

If you are unhappy with the way the GLA has handled your request, you may complain using the GLA's FOI complaints and internal review procedure, available at:

<https://www.london.gov.uk/about-us/governance-and-spending/sharing-our-information/freedom-information>



ANTHOLOGY

Built from London

GLALP Funding at Woodlands [REDACTED]

July 2018

[Second site out of scope of request]

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1. Background

Anthology has purchased two sites, Woodlands and Masters (Elephant and Castle) in April 2018 [REDACTED]. In line with published guidance from the Mayor of London, 50%, by habitable rooms, of each site will be social housing. These two purchases take the number of sites owned by Anthology to seven. A summary of the key metrics and dates for each site is shown in the table below.

[REDACTED]
[REDACTED]

[Regulation 12(5)(e)]

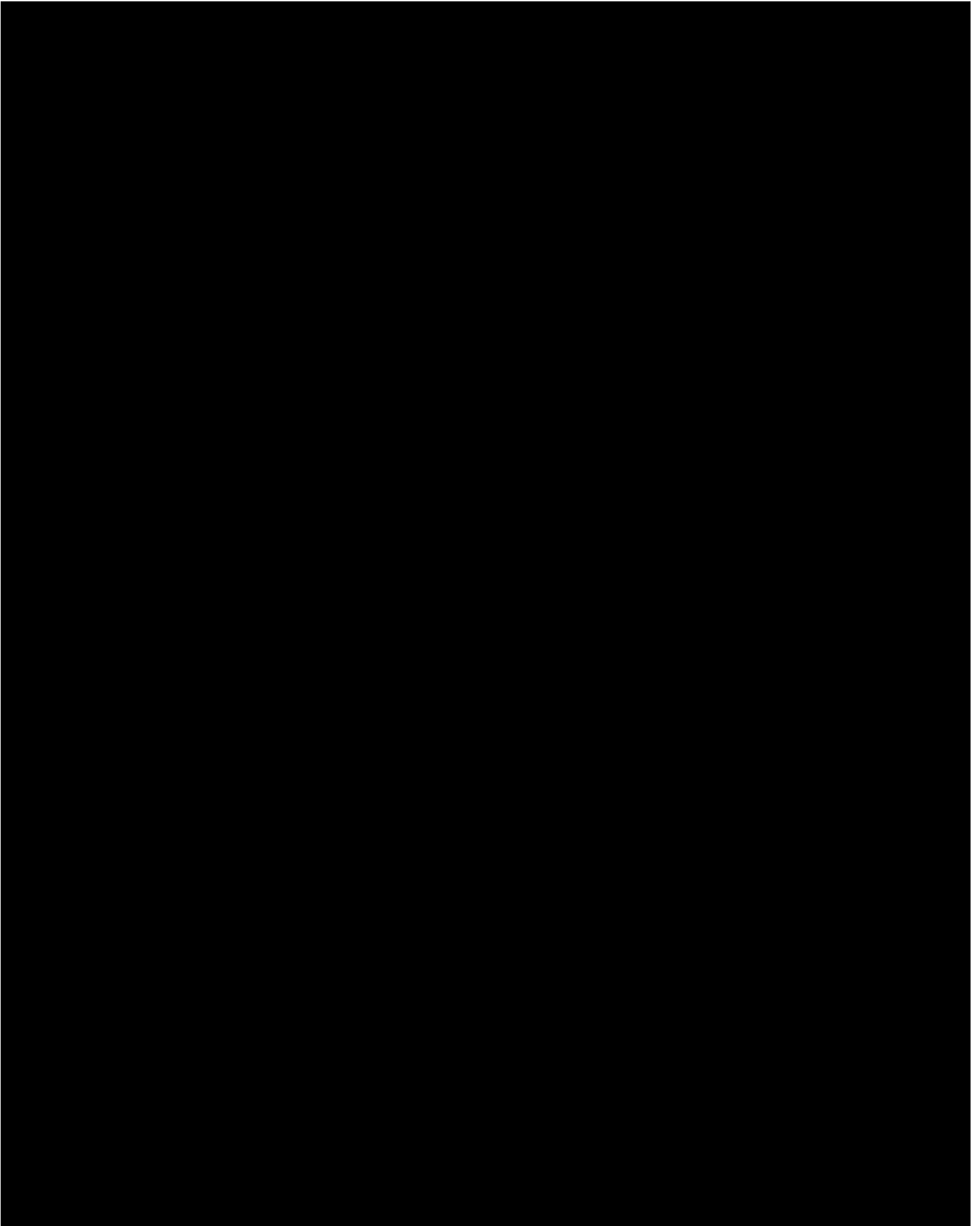
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[REDACTED]
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[REDACTED]
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[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The GLA's support on these two sites has provided secured funding at an advanced stage underpinning the deliver of these schemes and just under 500 new homes.



3. Key Heads of Terms for Facilities

These are not exhaustive but represent the main terms as well as identifying those required for the funding solution.

[REDACTED]

[Second site out of scope of request]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Woodlands

[Regulation 12(5)(e)]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

4. Indicative interest rates

[REDACTED]

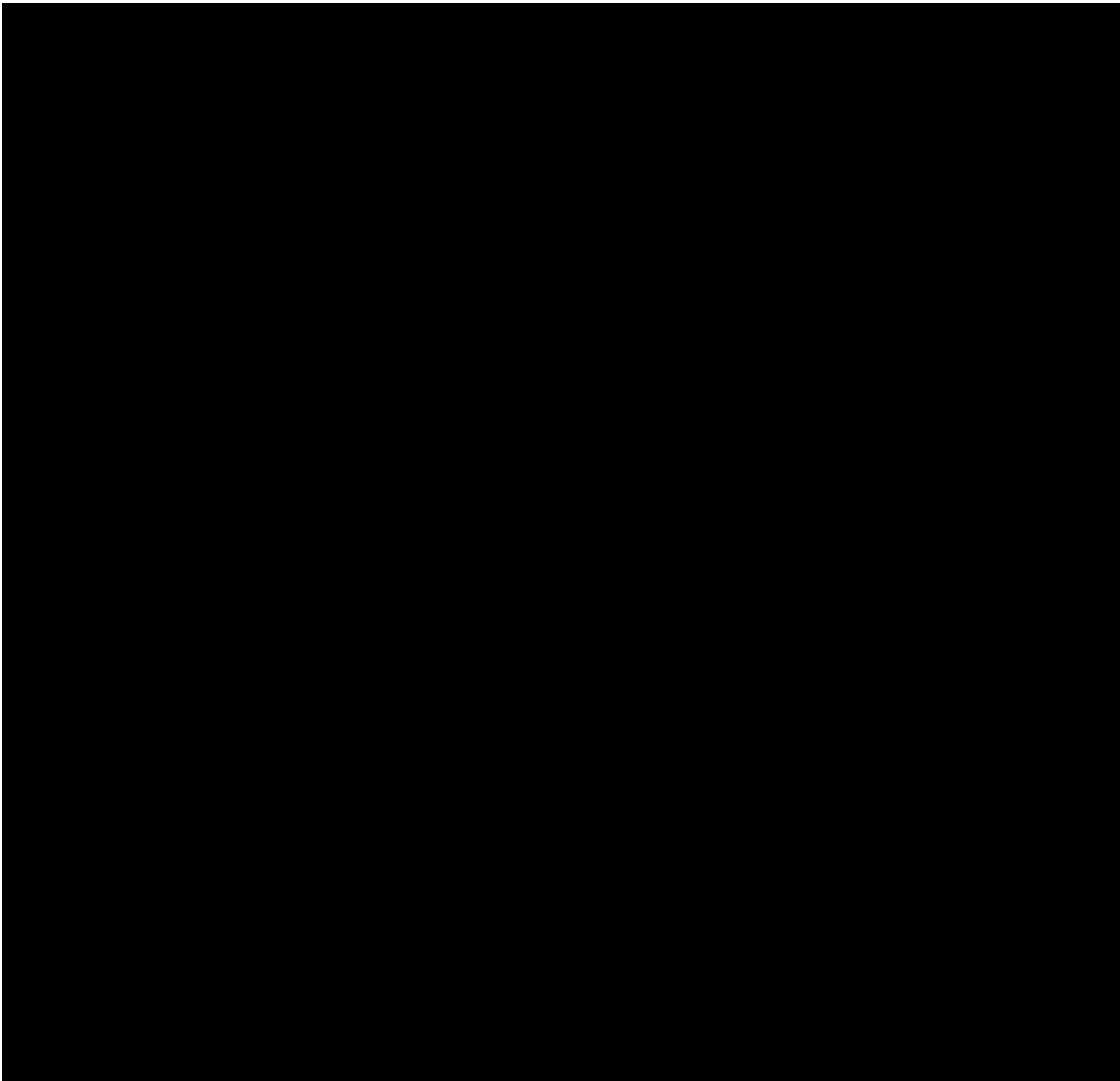
5. Development Information across both sites

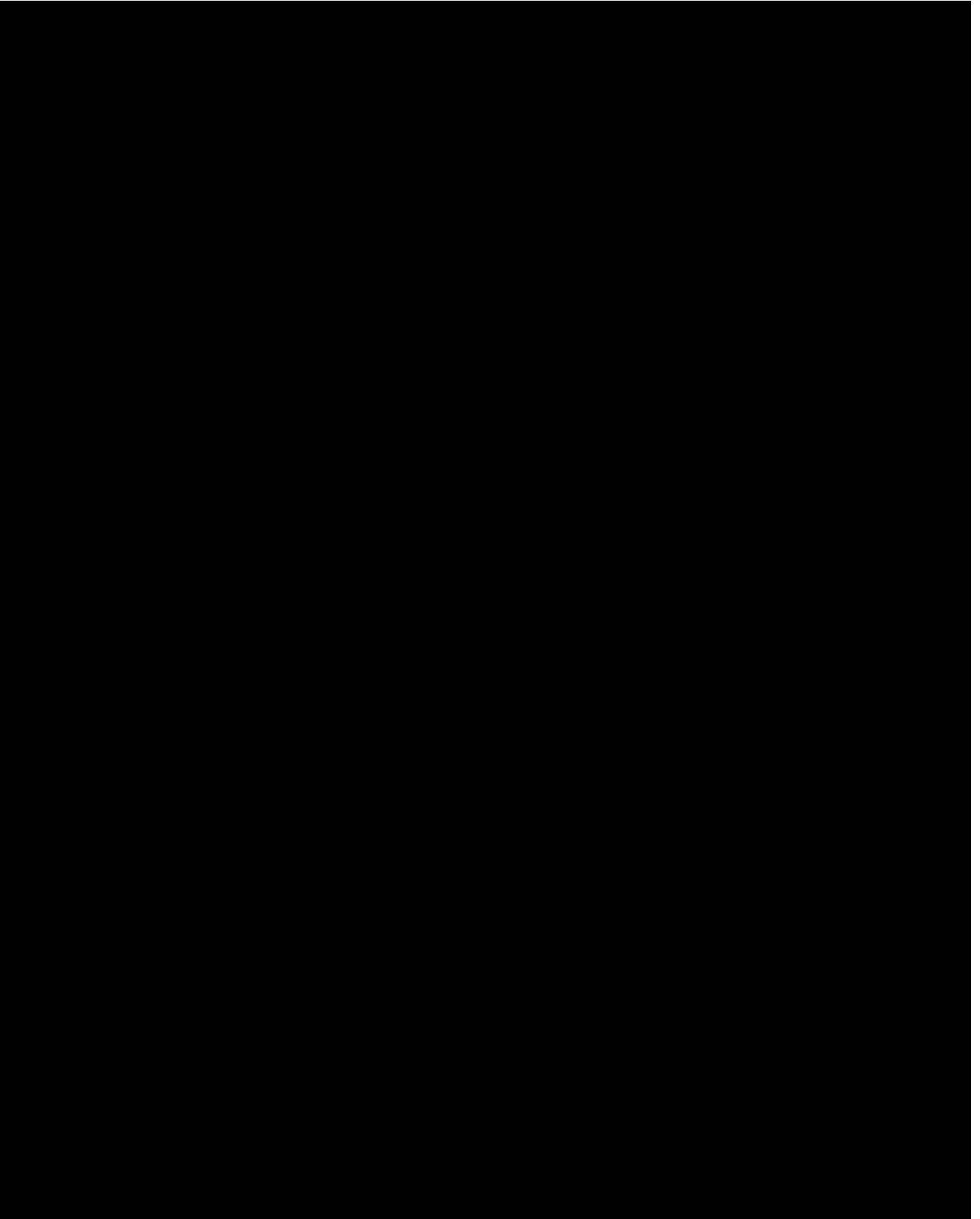
Contracting strategy for affordable homes

As with other Anthology developments, the contracting strategy for the Registered Provider will be as follows:

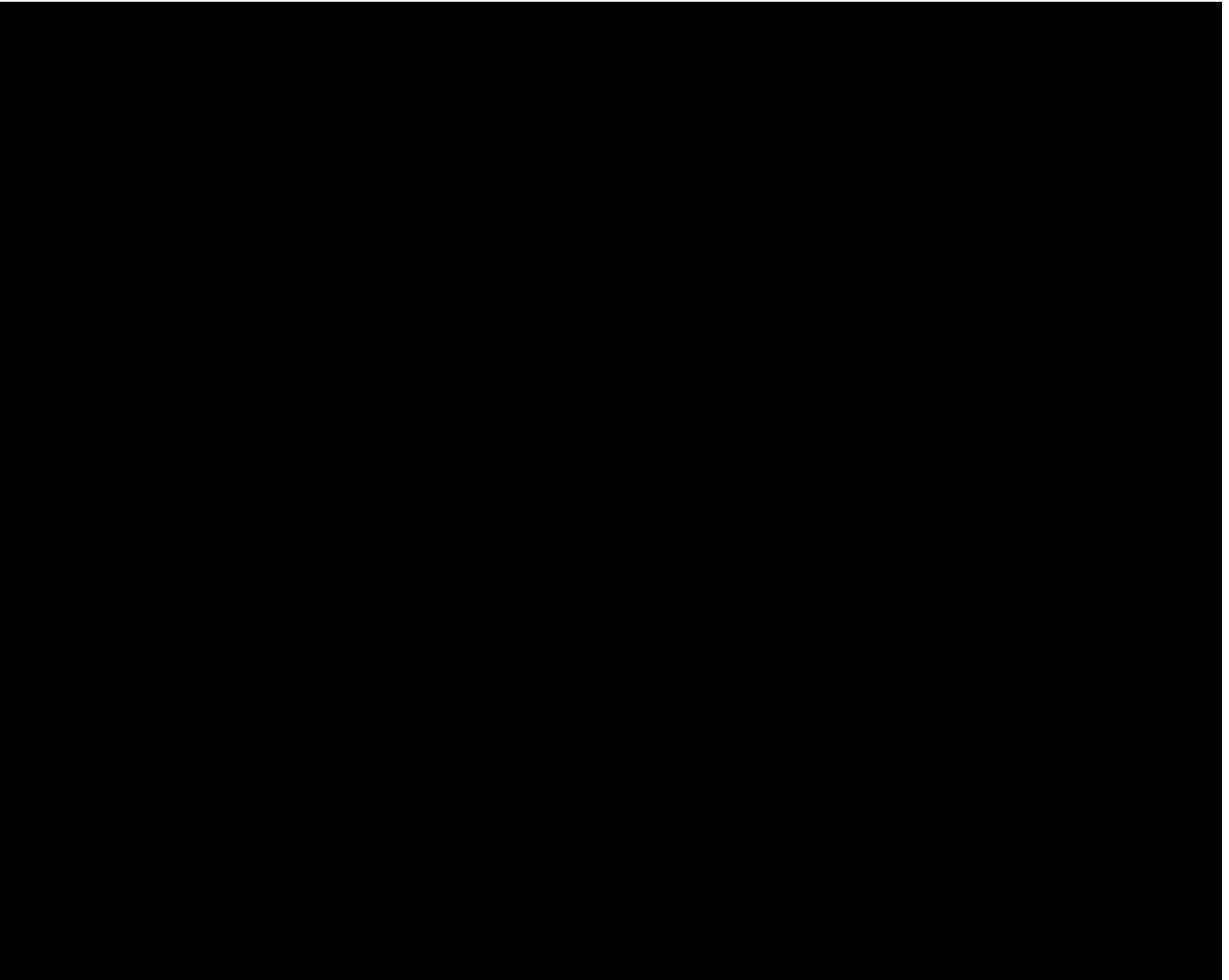
- A specialist agent will be appointed to manage the marketing process on behalf of the Anthology site
- A data room and dedicated website will be set to provide all relevant information to any potential bidders as well as details of the bidding process
- Jointly with the agent, a long list of potential Registered Providers (usually 10 – 12 parties) will be agreed, being mindful of the Local Authority's preferred RP list (where relevant)
- The long list of RPs will be invited to view the data room and confirm whether they will be interested in submitting a bid for the affordable homes
- A deadline will then be set for those interested to submit their firm offers for the site via a pro-forma which will be made available on the website. The pro-forma will request details of management credentials, track record in the relevant Borough, track record on developments of similar size and complexity, as well as their financial offer
- Any offers received will be expected to be clear on any specific conditionality and assumptions
- Following a review of all offers received, three preferred parties will be called to interview
- Following the round of interviews, the three parties will be invited to submit their best and final offer for the homes
- Based on all relevant criteria, a preferred RP will be selected to agree Heads of Terms prior to formal contract negotiations

[Second site out of scope of request]





[Second site out of scope of request]



7. Woodlands specific development information

Site address Dugard Way, London, SE11 4TH





[Regulation 12(5)(e)]

Planning status and programme

The Woodlands and Masters House site sits on the edge of the Elephant & Castle regeneration area, but not within it and is a large central London regeneration opportunity in a heritage setting. It contains a culturally significant tenant, the Cinema Museum, which has historically been located in Lambeth and which wishes to remain on site. Design quality is the key to success to achieve the density needed to deliver sufficient floorspace to the Cinema Museum and fund 50% affordable housing,

A design competition has been held to find a winning design. Anthology's proposal would deliver 225 – 250 new homes in a tower within a permeable urban square which seeks to reopen a lost historic street connection. The tower would rise to 30 storeys, which is lower than towers which have been permitted or built closer to the centre of the Elephant & Castle but higher than the buildings of the Cotton Gardens Estate, located to the west. The design proposal creates an intimate London Square of 4 and 5 storeys with a tower and landscaping in the centre of it. The square provides both a setting and a transition to the adjacent buildings including the listed Master's House and its equally historic water tower. The location of the proposed tower is off-set in northern views of the recently restored and converted water tower.

Anthology has spoken to Lambeth Council Officers about the proposal and has received supportive comments of the design strategy which officers believe will deliver a sensitive high-density redevelopment.

The principle of a high-density housing scheme which retains the Cinema Museum has been accepted by the Council given their existing knowledge of the operational requirements of South London and Maudsley HNS Trust and would accord with London Plan Policies which seek housing where change of use is contemplated. The juxtaposition of a tall building inside new London Square will be acceptable in design terms given the overall design quality of the scheme.

Timeline for project

Milestone	Target Date
Acquisition Completion	May 2018 (achieved)
First pre-application meeting with LB Lambeth	July 2018
First round of public consultation	July 2018
Second round of public consultation	October 2018
Planning submission	Q1 2019
Planning Committee	Q2 2019
Section 106 signing	Q3 2019
Carry out demolition	Q4 2019
Commence construction	Q1 2020
Delivery of affordable housing	Q4 2021
Full scheme practical completion	Q1 2022

Construction procurement

There are two potential construction procurement routes that could be pursued for the Woodlands contractor. It is currently anticipated that Route A below will be pursued but Route B could be adopted if it proved to be a more cost-effective option.

Route A:

2 stage design and build using a framework of preferred contractors. Typically, competition at Stage 1 to select a preferred contractor and negotiation and collaborative working and open book trade procurement at Stage 2 (via a PCSA) to agree a fixed price, lump sum D&B contract. Design and planning undertaken by Anthology and on contract award design (and design team) novated to the D&B contractor.

Route B:

Design responsibility sits with Anthology and the construction delivery is packaged into a small number of trade packages. Each trade package will group together a number of sub-trades so for example a structures package could include piling, groundwork, substructure and superstructure. This most likely will require individual trade packages to have a lead trade contractor who will deliver their normal trade work and subcontract work not forming part of their in-house capability.

The packages will be led by the main/critical trades and therefore say 80% of the work value will sit within these main package contractors who will sub-contract the remaining 20% of the work.

A typical package plan for an Anthology project could be:

- Structures (including piling, groundworks, substructure and superstructure)
- Facade – including roofing
- MEP
- Pods
- Dry lining, ceilings, screeds
- Joinery
- Preliminaries – could be let as separate contracts by Anthology

This is the same approach as at the Anthology Wembley site.

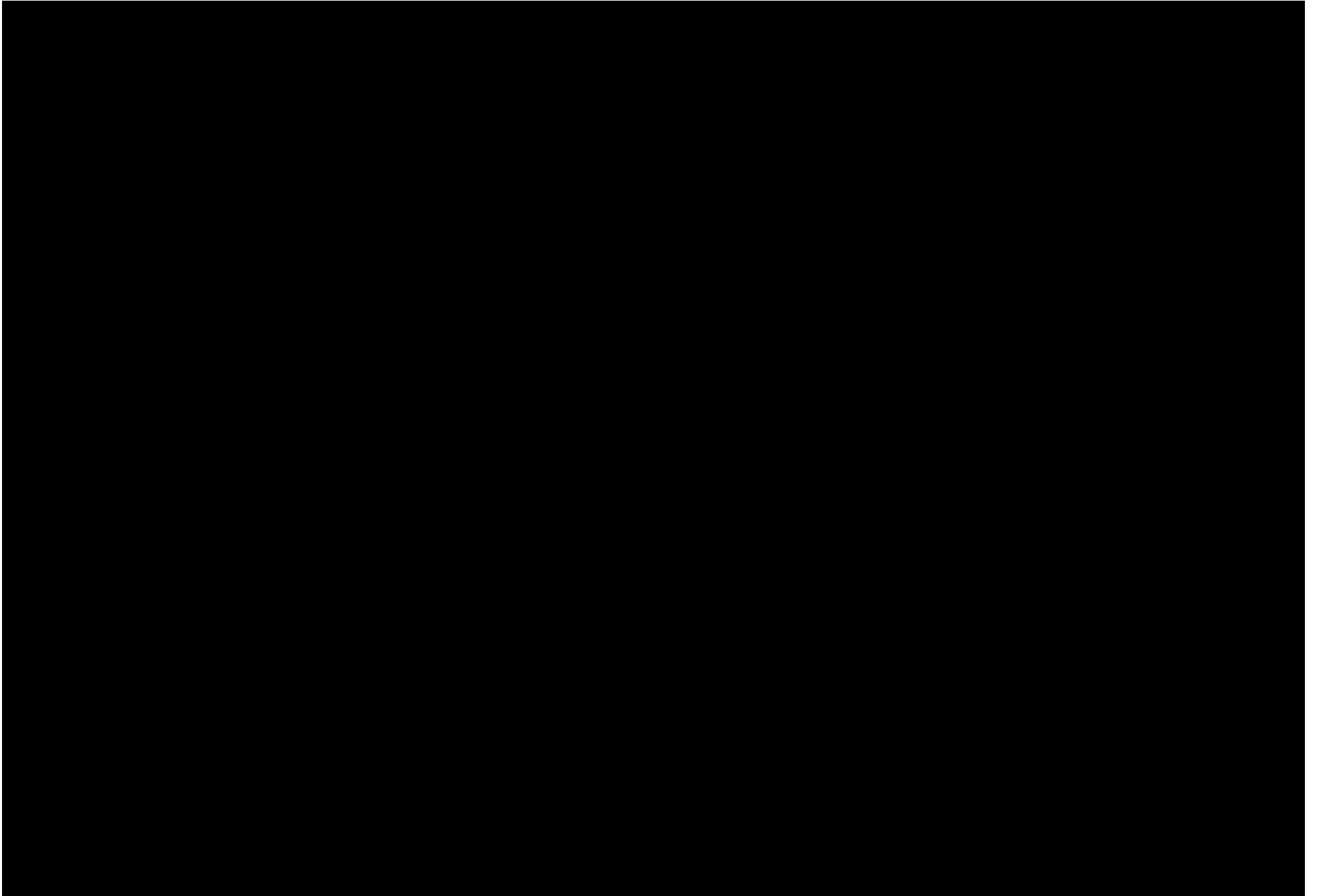
Product demand, marketing strategy and competitor analysis

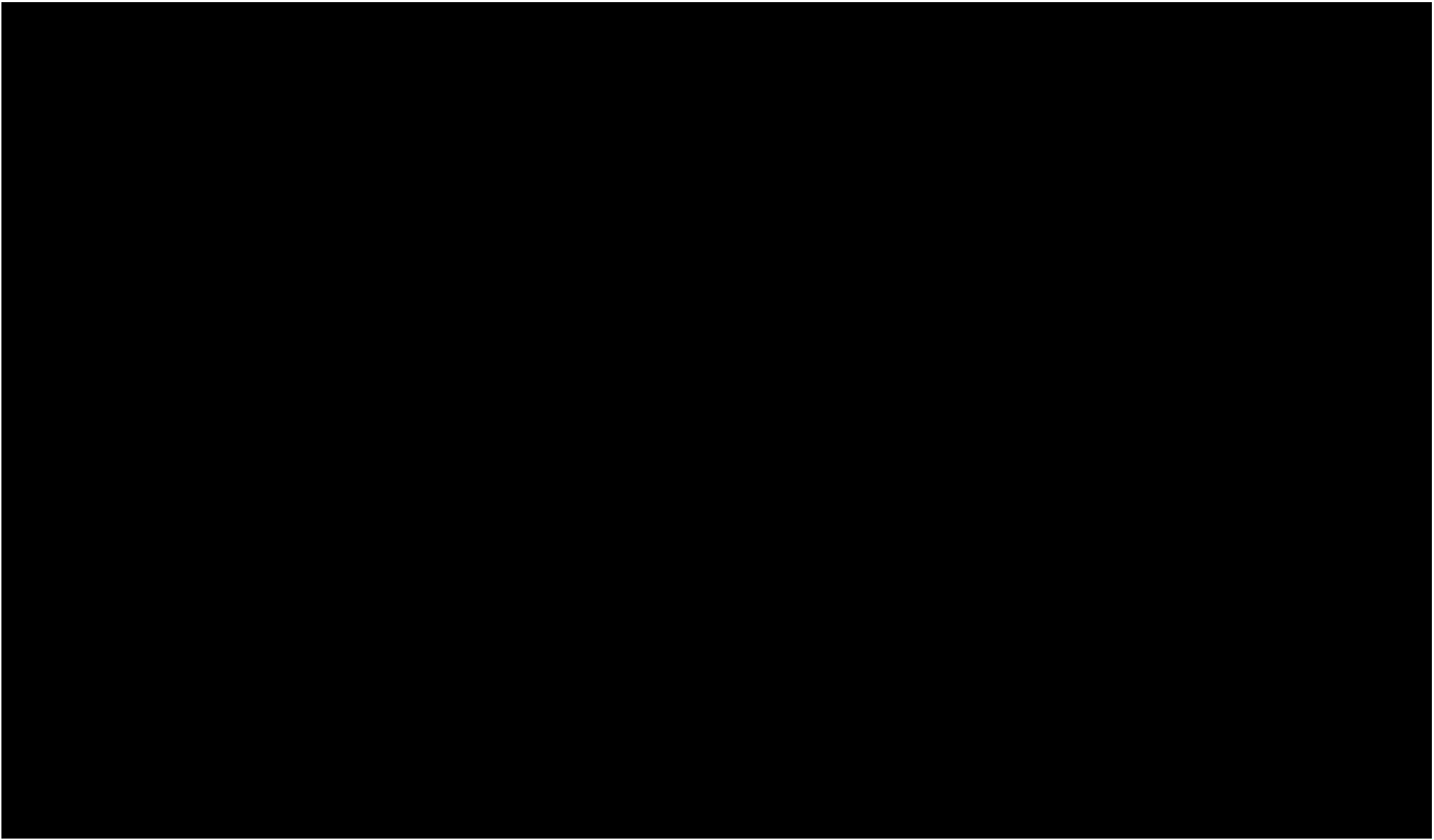
- Please see appendix 5 for a full list of sales comparables of other developments taking place in the vicinity of the site

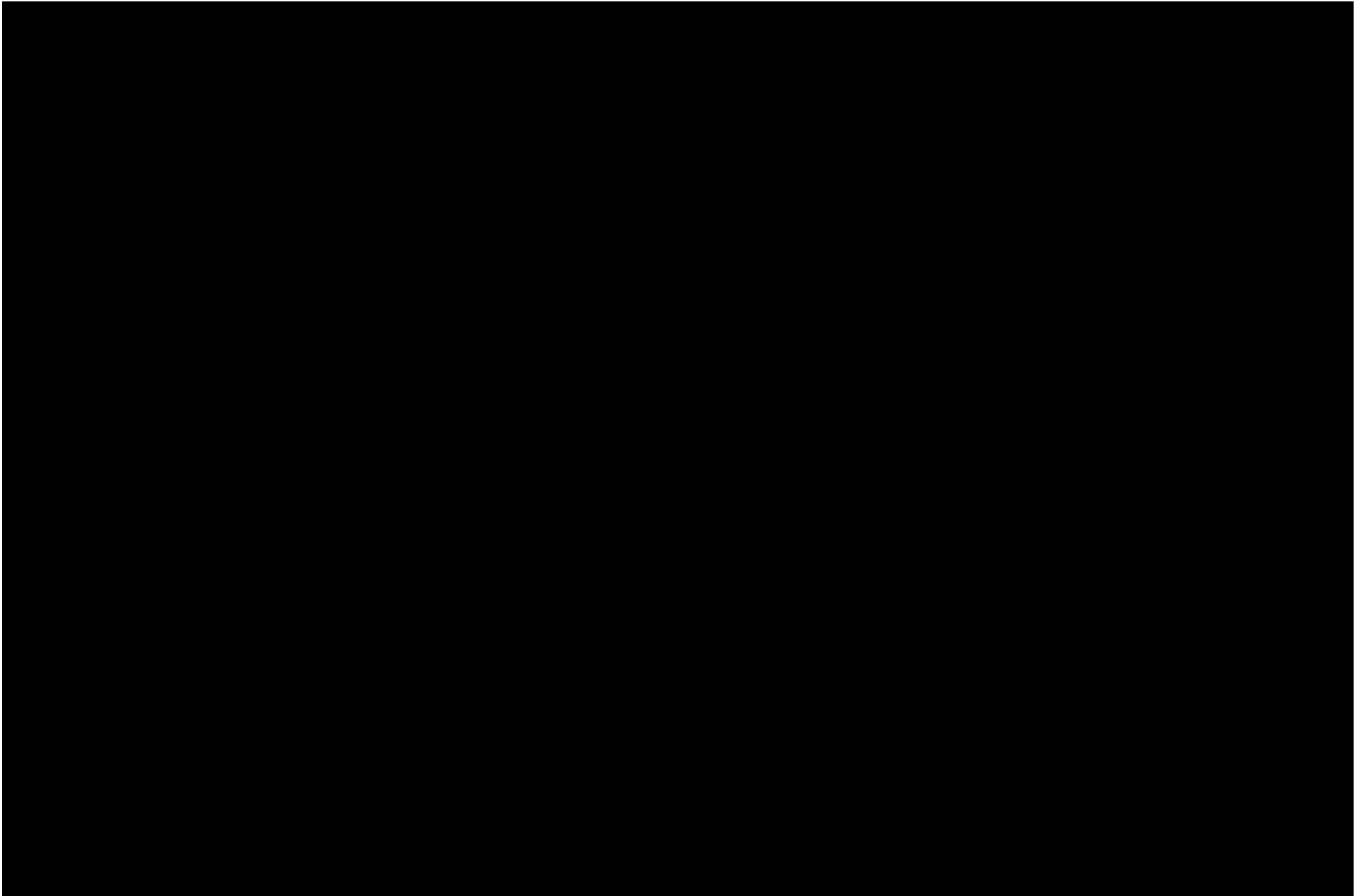
- Elephant & Castle has become an established location for home buyers in London and the continued investment and regeneration will maintain appeal and ensure that above-average price growth continues relative to inner-London areas.
- The Elephant & Castle regeneration includes updating some poor-quality housing estates as well as the improvement to the local transport infrastructure and has transformed the area into a key growth area in London.
- Average sales prices in Elephant & Castle have risen significantly in recent years. In 2012, prices were typically around £650 per sq ft but now many of the schemes are averaging closer to £1,100 per sq ft, thanks to the regeneration of the area.
- Elephant & Castle is also developing into a key rental location as part of London's growing build to rent (BTR) sector which has seen 54,978 units complete or in the pipeline as of Q3 2017. This sector is providing high quality, professionally managed schemes aimed solely at the rental market, meeting the needs of the ever-increasing rental population in London.
- Realstar has recently launched UNCLE Elephant & Castle, a purpose built BTR scheme developed by Mace comprising of 279 homes.
- In summary, it is notable that there has been a significant amount of new build activity close to the Woodlands site which would allow direct comparable evidence to be drawn. Most recent activity has been focussed on in and around Elephant & Castle station.

[Regulation 12(5)(e)]

- [REDACTED]
- It is clear from the comparable evidence that sales prices are generally being pushed at around £1,100 per sq. ft. at launch and during the course of construction but, with discounts where offered, average sales prices are coming down to the £1,000 per sq. ft mark as the final achieved price. [REDACTED]
- Anthology takes the view that the market dislocation still remains, and the capital values do not present a true picture of Elephant & Castles value. The upside as of a result of heavy regeneration activity between today and 2021 is still to come.
- Marketing of homes will comply with the mayoral concordat, as has been done at other Anthology developments.







Anthology Deptford Foundry



ANTHOLOGY DEPTFORD FOUNDRY

Built from London

AVAILABLE NOW

A residential led mixed-use development on a former industrial estate of 2.5 acres located in Deptford. It sits in the heart of one of London's regeneration hotspots and was acquired by Anthology as its first development in June 2014.

ZONE 2

Nearest Station – Deptford or New Cross

ACQUISITION: 2014 | PLANNING: 2016
FIRST COMPLETIONS: 2018 | HOMES 316
COMMERCIAL 32,000 SQ.FT

This site was acquired on an unconditional basis
and exchanged in three weeks



Anthology Wembley Parade



ANTHOLOGY WEMBLEY PARADE

Built from London

AVAILABLE NOW

A residential development on an industrial estate of 1.25 acres located in the heart of Wembley adjacent to Wembley Park tube station. The project will provide 195 new homes in an area that is already undergoing huge regeneration.

ZONE 3

Nearest Station – Wembley Park

ACQUISITION: 2015 | PLANNING: 2016
COMPLETION: 2019 | HOMES 195

The site was acquired unconditionally
at the beginning of March 2015



Anthology Hoxton Press



ANTHOLOGY HOXTON PRESS

Built from London

IN THE HEART OF HOXTON
PHASE 3 | AVAILABLE NOW

In the heart of Hoxton, Anthology Hoxton Press is the third phase of the Colville Estate regeneration, working in partnership with London Borough of Hackney. Jointly designed by Karakusevic Carson Architects and David Chipperfield Architects, the development will include two residential towers of 16 and 20 storeys, comprising 198 new homes that overlook Shoreditch Park and Regents Canal.

ZONE 1-2
Nearest Station – Old Street or Hoxton

ACQUISITION: 2015 | PLANNING: 2014
COMPLETION: 2018 | HOMES 198



Anthology Hale Works



ANTHOLOGY HALE WORKS

Built from London

COMING SOON

The development comprises 279 residential homes in a tower, which is located immediately adjacent to Tottenham Hale underground and over ground station. The project is the last phase of the award winning mixed use development, Hale Village.

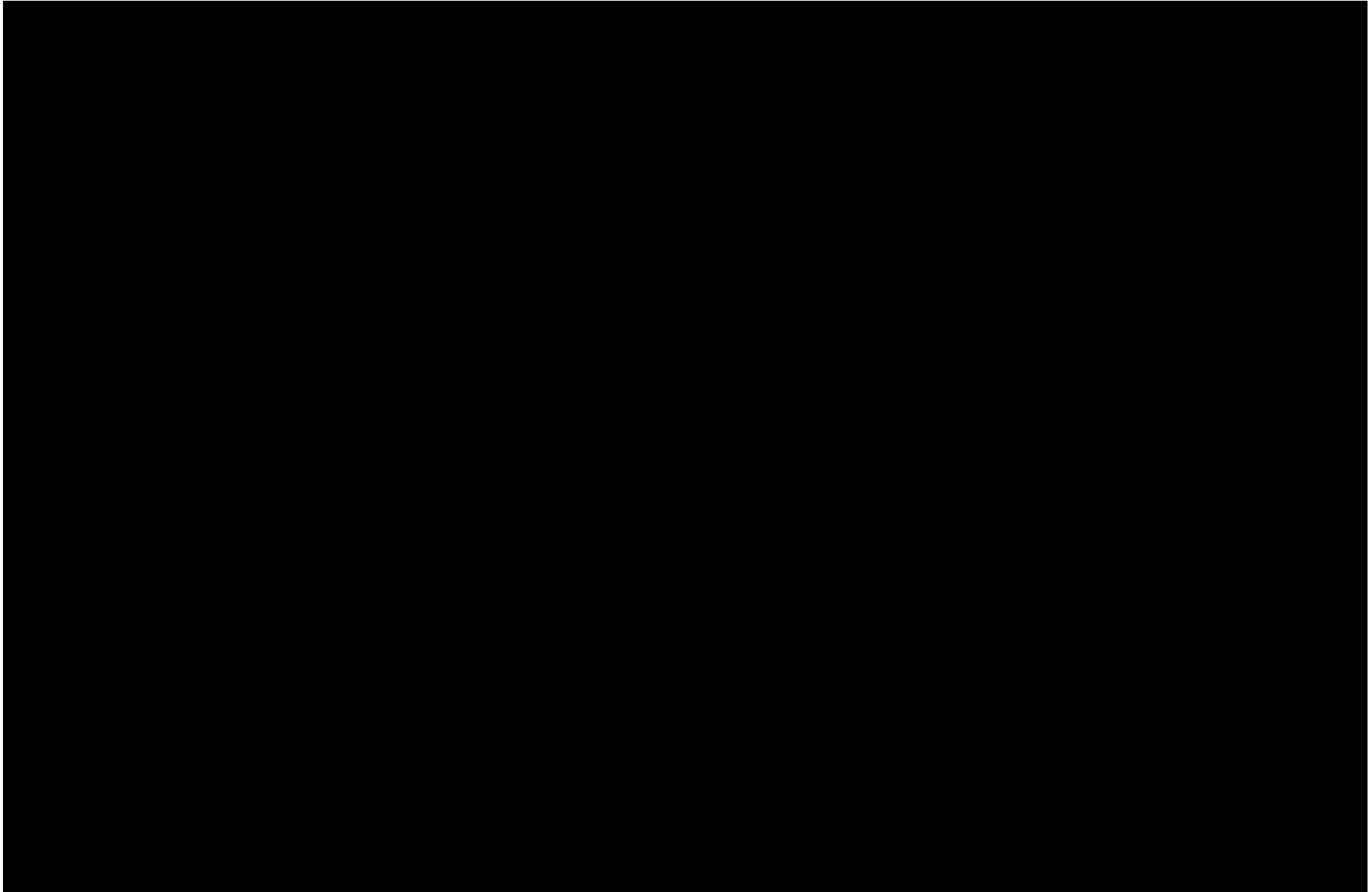
ZONE 3

Nearest Station - Tottenham Hale

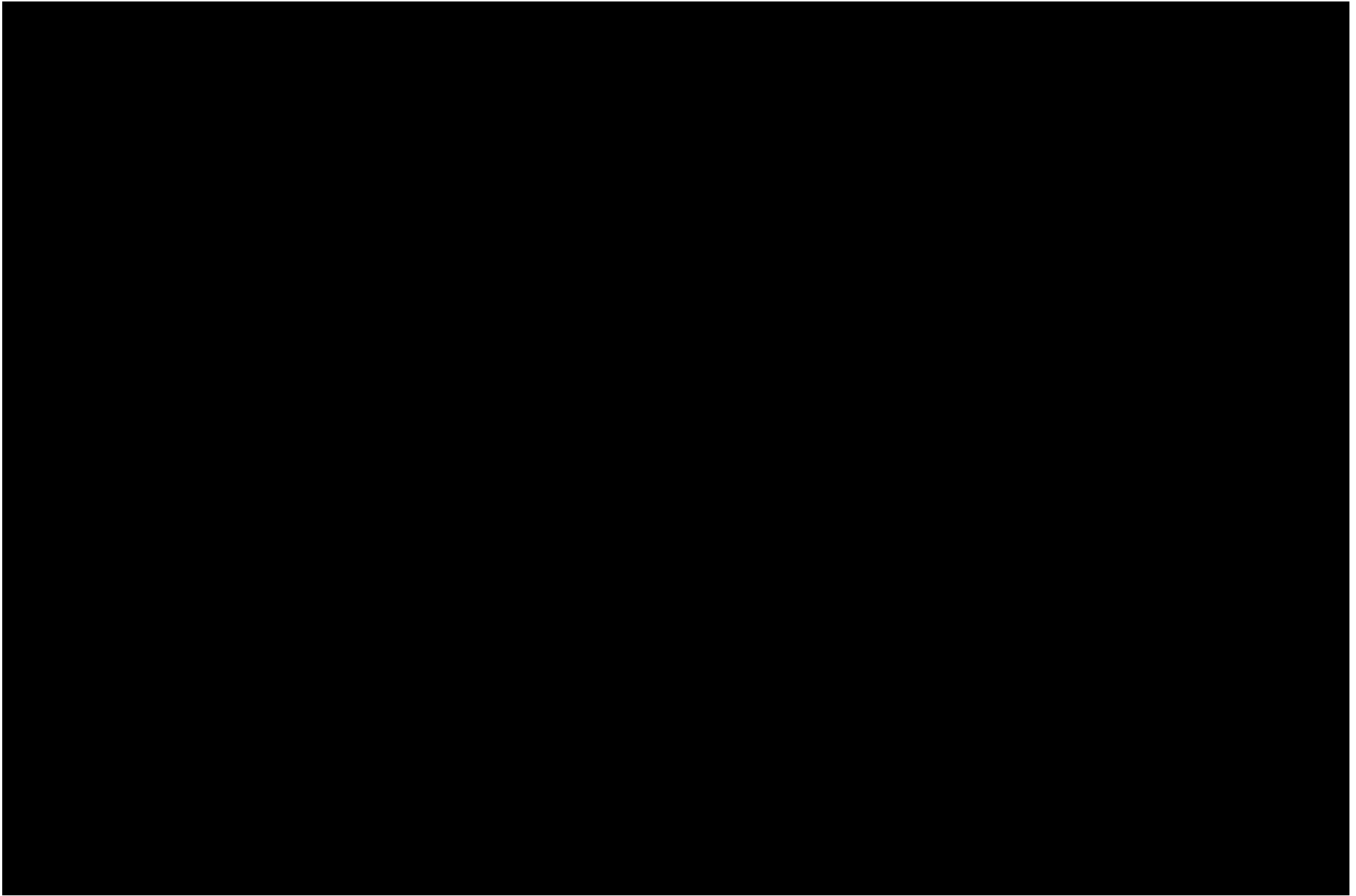
ACQUISITION: 2016
PLANNING CONSENT: 2017
COMPLETION: 2020
HOMES: 279



Appendix 4



[Second site out of scope of request]



Appendix 5 Woodlands Comparable Sales Analysis

