

REQUEST FOR MAYORAL DECISION – MD1250

Title: White Hart Triangle: Completion of Joint Venture amendments & ancillary documents

Executive Summary:

The purpose of this paper is to gain Mayoral approval for the completion of specific documents (Ancillary documents), as set out below, which are required as to corrections in title, alterations to boundaries, and the regulatory adoption of White Hart Avenue, Plumstead, within the Royal Borough of Greenwich.

The Mayor is also asked to review and approve the final form of the variations to the White Hart Triangle Joint Venture Agreement (JVA) with Tilfen Land Limited (Tilfen). It should be noted that these amendments to the JVA, in principle, were the subject of a HIG meeting in December 2012, at which these terms were endorsed.

This paper includes a brief description of each of the documents for completion, however a legal report is also appended, which sets out each documents remit in detail.

Decision:

That the Mayor:

1. Approves the proposed variations to the Joint Venture Agreement, as set out in part 2;
2. Approves the execution of the Ancillary documents as set out below; and
3. Delegates authority to the to the Directors of GLA Land & Property Ltd to take all steps to finalise, approve and enter into the agreements to give effect to the matters outlined above and to do all such other things as they consider necessary or desirable in connection therewith.

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

26 September 2013

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

Decision required – supporting report

1. Introduction and background

- 1.1 White Hart Triangle is a 62 acre business park located in Plumstead, in the Royal Borough of Greenwich. About half of this site was owned by the London Development Agency (LDA) and has now passed into GLA Land & Property (GLAP). The remainder of the site is owned by Tilfen. Appendix A includes an indicative plan showing the respective parts of the site.
- 1.2 In 2003, the LDA entered into a JVA with Tilfen and the Royal Borough of Greenwich. Under this, the LDA and Tilfen pooled their respective landholdings, with Tilfen then appointed as development partner to undertake a phased programme of speculative workspace development. The LDA carried out major infrastructure works to support the development, partly with European funding.
- 1.3 Receipts from sale and development of plots are shared between the parties according to the provisions of the JVA, with some land already having been developed and sold. The LDA's remaining land and its obligations and liabilities under the JVA passed to the GLA in April 2012.
- 1.4 In December 2012, HIG endorsed the LDA's decision to sell approximately 10.425 acres of land at White Hart Triangle to Transport for London on behalf of Crossrail. The land is to be used as a railway construction site and later as a train overnighting facility. Negotiations concerning TfL, Crossrail, GLA, Thames Water and Tilfen are progressing; however it is necessary to amend the terms of the JVA to accommodate this disposal, which is expected in August.
- 1.5 There are also a number of ancillary agreements arising from the existing JVA and progression of the site's development that now need to be executed. These are all minor property transactional matters with no material implications for the GLA, with the documents largely concerned with amending previous errors. All documents are described below.

2. Issues for consideration

- 2.1 A detailed legal report is appended to Part 2 of this paper at Appendix B, therefore only a brief description of each of the documents is given below, and the reader is directed toward the report for further details. However, it is recommended that GLAP executes each of the documents as set out below.

Deed of Rectification of Sienna Transfer

- 2.2 This document rectifies an error on the plan attached to the original transfer of Sienna, 65 White Hart Avenue made between GLAP and Tilfen on 3 July 2006. A corrected plan is substituted for the original.

Deed relating to the management of WHT

- 2.3 This document brings GLAP's land holdings at WHT into the existing estate management regime set out in the Master Estate Service Charge Agreement (MESCA), obliging a service charge to be levied upon any GLAP successor, but also providing estate services such as security and lighting. This fee is not payable by GLAP as it only becomes active when the JVA ends (either by disposal of all land for development or by disposal of remaining undeveloped land at the expiry/termination of

the JVA). In the meantime, Tilfen is able to recover its estate management costs by another mechanism under the JVA.

CCTV Wayleave Agreement

- 2.4 This wayleave agreement permits the Council to install and maintain CCTV cables within ducts under GLAP's land for the provision of CCTV along the main road in the vicinity of WHT. This is a requirement of the Section 106 Agreement relating to WHT linking to the Council's monitoring station in Woolwich town centre.

Deed of Grant of Easement for Underground Cables

- 2.5 To be entered into between GLAP and Southern Electric Southern Electric Power Distribution PLC (SSE), this easement grants the rights to lay, install, maintain, renew and remove underground electric cables and necessary ducts and apparatus in and under land owned by GLA in accordance with specified plans that have been considered against future development.

Substation Leases (Plots D, E & F)

- 2.6 Again to be entered into between GLAP and SSE, these three leases are granted for a term of 99 years in respect of the substations constructed on each of the above plots. These leases are necessary to regularise SSE's land ownership and will be registered at the Land Registry.

Supplemental Section 38 Agreement

- 2.7 As part of the JVA signed in 2003, Tilfen constructed the new road into the estate, now known as White Hart Avenue. Although adoption of this road by the Highways Agency was envisaged, numerous problems, errors and omissions prevented this. Therefore, GLAP, Tilfen and Royal Borough of Greenwich are required to enter into a new Section 38 Agreement. This agreement will enable the adoption of the road and also notes previously paid commuted payments as made by GLAP (£650,000 - Commuted Maintenance Payment, £79,668 - supervision survey, £1,500 - legal costs).

Joint Venture Agreement variations

- 2.8 As part set out in part 2.

3 Risk

- 3.1 The GLA's external legal advisers have confirmed that there is minimum legal risk for the GLA in entering into the Ancillary documents. Any risk that exists is normal for documentation of this nature and acceptable. However, care should be taken with regard to the timing of completion of the document referred to at paragraph 2.3 above (relating to estate management costs) and the document should not be completed without full consideration being given to the disposal of land to Crossrail.

Delivery Risk

- 3.2 As this paper solely deals with the correction of titles, establishment of existing leases, boundary alterations, and legal amendments within the JVA, there is no delivery risk to the GLA.

4. Financial Comments

- 4.1 The Ancillary documents hold no financial implications.
- 4.2 Copies of any leases and agreements entered into will be provided to finance

5. Legal Comments

- 5.1 GLAP has been advised by Ashfords LLP on this project since April 2012 including in relation to the Ancillary documents and associated matters as noted above. Further legal comments are set out in Part 2.
- 5.2 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.
- 5.3 Sections 1 and 2 of this report indicate that the decision sought of the Mayor falls within the powers set out above.
- 5.4 The Mayor may, under section 38 of the GLA Act, delegate the exercise of the GLA's functions to the Executive directors of Resources and Housing and Land as proposed.
- 5.5 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.

6. HIG, Investment & Performance Board

- 6.1 HIG recommended the completion of all documents, as set out above, on 10 December 2012, with final versions of the papers re-presented to SMT on 13 June 2013.

7. Supporting documentation

Appendix A: WHT site layout plan.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the GLA website within 1 working day of approval. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this approval to be deferred? Yes

If yes, for what reason:

To allow for the completion of the sale to Crossrail

Until what date: 31 March 2014, subject to completion of the sale to Crossrail

Is there a part 2 form – YES

ORIGINATING OFFICER DECLARATION:

	Tick to indicate approval (✓)
Drafting officer: <u>Peter Elliott</u> 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: <u>Simon Powell</u> has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.	✓
Sponsoring Director: <u>David Lunts</u> has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.	✓
Mayoral Adviser: <u>Richard Blakeway</u> has been consulted about the proposal and agrees the recommendations.	✓
Advice: The Finance and Legal teams have commented on this proposal.	✓

OFFICER APPROVAL

Executive Director, Resources

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

Signature

Date

Chief of Staff

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

Signature

Date