

PART 2 – CONFIDENTIAL FACTS AND ADVICE

MD2160

Title: Waltham Forest site acquisitions and demolition works

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Information Governance team for advice.

This information is not for publication until the stated date, because:

It contains commercially sensitive information the disclosure of which might prejudice the commercial and business interests of GLA Land and Property Limited. It also contains legally privileged information.

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed:

On completion of purchase of the site(s) – expected 30th November 2017. Specific consideration should be given as to whether the legally privileged advice contained herein should be withheld for a longer period.

Legal recommendation on the grounds of keeping the information confidential:

The contents of Part 2 include sensitive information which relate to GLAP's commercial interests, the disclosure of which could prejudice those interests. For those reasons, it is considered that the information contained in this report and appendices is exempt from publication in reliance upon the exclusions contained in section 43 (2) (Commercial Interests) of the FOI Act 2000 and because the public interest in withholding the information outweighs the public interest in releasing it.

If this information is considered for release pursuant to the provisions of the Environmental Information Regulations 2004, this information should be considered exempt information under regulation 12(5)(e) – where disclosure would adversely affect the confidentiality of commercial or industrial information where such confidentiality is provided by law to protect a legitimate economic interest.

Legal Adviser -

Name: Claire Mason

Date: 04/05/2017

Once this form is fully authorised, it should be circulated with Part 1.

Confidential decision and/or advice:

- 1.1 GLAP is seeking to acquire a total of three sites adjoining or in close proximity to the Webbs Site. A site plan is attached at Appendix 2. There are two sites owned by the Sanger family. The first directly adjoins the Webbs site and is known as 59-69 Sutherland Road and comprises several industrial units. The second is known as 33 Sutherland Road and is located at the far end of Sutherland Road. The latter acquisition is not vital for the Webbs site development but it is considered reasonable to make an offer to acquire both of the Sanger family interests. This site does, however, adjoin a site owned by LBWF and therefore will also contribute to the regeneration of the area if acquired (site plan at Appendix 1).
- 1.2 55/57 Sutherland Road is known as the Teff site, a two-storey building converted to serve as a church and a meeting place and owned by Montague Teff (site plan at Appendix 2).
- 1.3 It is proposed that GLAP make a one-off investment of up to £4,614,000 plus taxes and fees for the freehold purchase with vacant possession of these landholdings. The buildings are currently occupied but no further legal interests are registered at the Land Registry and therefore the assumption has been made that these informal occupations can be readily terminated.
- 1.4 However, to cover all possibilities, GLA Officers have been in contact with partners in the area to see if alternative premises are available for the relocation of these businesses should it prove necessary. If the initial offers to acquire the properties are not accepted, alternatively the GLA could offer a business relocation package in line with Compulsory Purchase Order (CPO) guidelines. To date these discussions have provided no relocation opportunities, but the search for opportunities will be progressed in parallel with the negotiations to acquire.
- 1.5 Should negotiations for the land purchases stall or the landowners prove to be reluctant sellers the GLA will as a last resort seek alternative routes for acquiring the sites.
- 1.6 It is proposed that these additional sites will be disposed of to the successful LDP bidder for the Webbs site on commercial terms, and will be used to house commercial/workshop/artisan businesses within the redeveloped site.
- 1.7 As of December 2016, the sites have a combined value of £4,614,000. These values have been provided as a Red Book Valuation undertaken by GL Hearn on behalf of GLAP. The full costs associated with the site purchase include costs such as SDLT, legal fees and a contingency of 10%. These costs are set out in the table below:

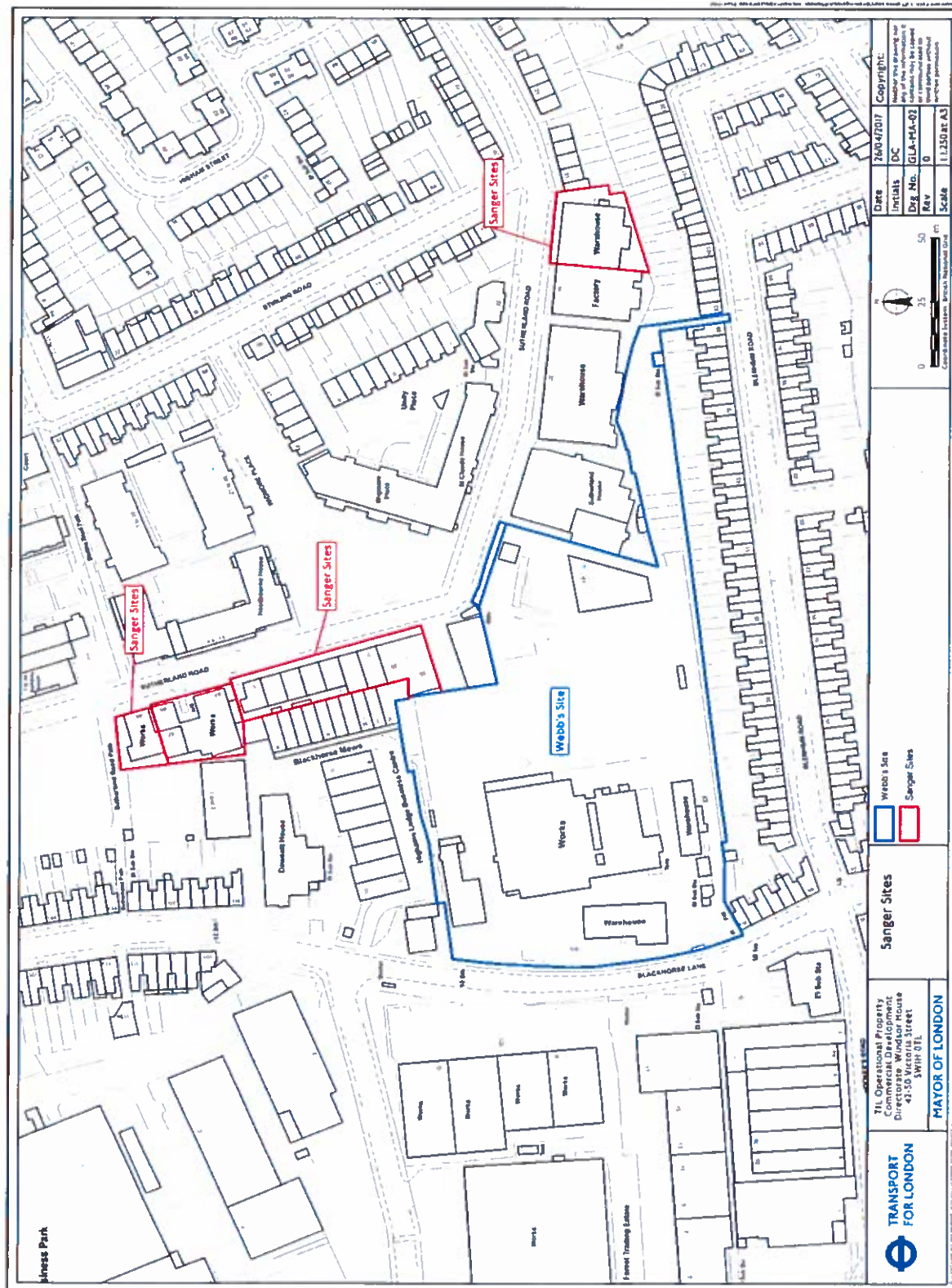
Sanger Site	£3,974,000
Teff site	£640,000
SDLT (combined)	£209,700
Legal advisors costs	£30,000
Sub-total	£4,853,700
Contingency (10%)	£485,370
TOTAL	£5,339,070

- 1.8 This budget is based on existing use value plus a contingent uplift. Should the owners secure consent for other uses on the site which would increase the value, a further approval will need to be sought to increase this budget.
- 1.9 The £5,339,070 expenditure for the purchase of this site will be met from the Housing Zone (AHP) budget.
- 1.10 As this budget relates to a commercial negotiation, publishing the value that GLAP is prepared to offer for the sites ahead of purchase would damage the GLA's negotiating position. It is therefore not proposed to publish the sum of funding requested until after the purchases have taken place.

2. Finance Comments

- 2.1 The Decision seeks approval for the acquisition of three sites in the London Borough of Waltham Forest: sites numbers - 33, 55/57 and 59/69 Sutherland Road. Approval is also sought for a budget of £5.339m to cover the cost of acquiring the sites, tax liability and other directly associated costs for acquisition. The acquisition of the site is funded from the Housing Zone budget.
- 2.2 The three sites were professionally valued and the value assigned to the sites totalled £4.614m. The estimated SDLT is £209.7k and other associated costs totalled £515.4k.
- 2.3 The sites are being acquired for residential development, as such the sites will be classified as 'inventory' for financial reporting purposes. The acquisition may also attract VAT estimated at £970k.

Appendix 1- Sanger sites Title Plan



Appendix 2- Teff Site Title Plan

