

REQUEST FOR DIRECTOR DECISION – DD1128

Title: White Hart Triangle Remediation Licence

Executive Summary:

The purpose of this paper is to seek Director approval to the issue of a licence to Crossrail Limited to occupy plots 112b, plot D & plot F of White Hart Triangle, as hatched pink and bounded red on the attached plan, in order to undertake the remediation of asbestos contamination in advance of any formal disposal of these sites to Crossrail. This work will be undertaken or procured by Crossrail Limited with no cost liability to GLA Land and Property Limited (GLAP) as landowner, although the reasonable and appropriate remediation costs will be deducted at a later date from the sale price when the land is sold to TfL.

Decision:

That the Director agrees to the grant of a licence to Crossrail Limited to occupy, for the purposes of site remediation, plot 112b, plot D & plot F at White Hart Triangle site in advance of completion of the sale of those plots to TfL, subject to the fulfilment of all the conditions and warranties set out in 1.5 and 1.6.

AUTHORISING DIRECTOR

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: Director of Housing & Land

Signature:

Date:

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 White Hart Triangle is a 25 hectare employment site located in Plumstead in the London Borough of Greenwich. Part of the site is owned by GLAP and part is owned by Tilfen Land Limited. In 2003, the London Development Agency (LDA), Tilfen and Greenwich Council entered into a joint-venture agreement, whereby the site would be promoted for industrial development. The LDA invested substantial sums (largely funded by the European Regional Development Fund) in upgrading the road infrastructure and, partly, remediating the land. Tilfen obtained outline planning permission for 1.1 million square feet of light industrial uses and has obligations (and an exclusive right) to bring forward development on a speculative and design-and-build basis.
- 1.2 Crossrail has now registered interest in purchasing the site highlighted on the attached plan, and this is explained within part 2 of this approval.

Licence to occupy for remediation

- 1.3 As TfL/ Crossrail are bound by the overall Crossrail programme and contract, they have requested access to the site to commence the unexpected remediation works whilst their purchase interest is finalised, stating that Crossrail/TfL will experience a cost of £300,000 per week for programme over-run.
- 1.4 The licence to occupy will end either on 1 January 2014 or if earlier completion of the transfer of the plot to TfL. GLAP is able to terminate in the event of a breach that is not remedied.
- 1.5 It is recommended that GLAP grants this access under licence, on the condition that:
- all requested warranties (see 1.6) are satisfactorily issued to GLAP;
 - Crossrail Limited indemnifies GLAP for all liability for the remediation works in the licence; and
 - TfL issues to GLAP the final Factual Contamination report and Interpretive Remediation reports as produced by Fugro and ARUP respectively.
- 1.6 GLAP has requested:
- warranties for all contractors and consultants involved in the investigations for reliance upon the findings and to be engaged in the remediation works;
 - copies of appointment for all contractors and consultants involved, so as to record the scope of their commission; and
 - copies of contracts for all contractors and consultants involved, so as to record the terms the abovementioned warranties apply upon.

- 1.7 GLAP has appointed Aecom to assess remediation costs figures. However, as it will take time to agree a final remediation deduction figure with Crossrail/TfL, it has been proposed that Crossrail/TfL enter the site via a licence to remediate the site, solely at their risk.
2. **Financial comments**
- 2.1 There is to be no licence fee for the occupation of the land by Crossrail Limited to remediate the site. Furthermore, there is a side-letter to accompany any licence setting out that the estimate of the deduction for the remediation is to be based purely upon the final Fugro report, and not from any subsequent testing or findings. This limits GLAP's risk in the event that further contamination is found as TfL will not be able to bring the cost of remediation such additional contamination into account in the price reduction dealt with in the side letter.
- 2.2 The licence includes an indemnity from Crossrail Limited to GLAP that all liability for costs associated with the remediation works, or environmental contamination produced by the works is to be borne by Crossrail Limited.
3. **Legal comments**
- 3.1 GLAP has been advised by Ashfords LLP on this project since April 2012 including in relation to the licence and side letter referred to in this DD.
- 3.2 The licence and side letter are predicated on sight of the Fugro report, the licence and side letter should not be completed until the report has been provided (together with the appointments and warranties referred to above) by Crossrail Limited/TfL.
- 3.3 The decision requested of the director falls within the GLA's statutory powers, under the Scheme of Delegation.

4. **Planned delivery approach and next steps**

Activity	Timeline
Access land under licence	07.10.13
Completion of remediation works	21.12.13
HIG disposal submission.	Nov 13
Sale/ Purchase completion.	Dec 13

Appendices and supporting papers:

Appendix A - 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:

until completion of the sale to Crossrail

Until what date: (a date is required if deferring) 31 December 2013

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:

Peter Elliott has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director:

Simon Powell has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date