

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2103

Title: White Hart Triangle – fees update

Executive Summary:

White Hart Triangle is a 25 acre employment site in Plumstead in the Royal Borough of Greenwich. Part of the site is owned by GLAP and part is owned by Tilfen Land Limited (now part of Peabody). This paper seeks additional approval for historic overspend and future project expenditure to ensure that the remaining land is brought to the market in a way that maximises the returns to the partners.

Decision:

That the Assistant Director of Strategic Projects and Property approves:

1. Spend of £23,548 on the legal fees required to complete the transaction with Crossrail; and
2. Additional spend of £10,000 for the next phase of the project, to cover both legal and valuation matters.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

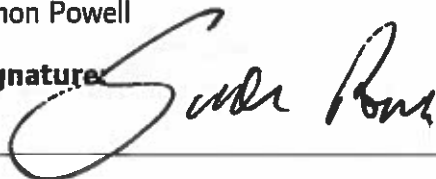
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name:

Simon Powell

Signature:



Position:

Assistant Director of Strategic Projects & Property

Date:

11/04/17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. White Hart Triangle is a 25 acre employment site in Plumstead in the Royal 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 (JVA), promoting the site for industrial development. The LDA invested substantial sums (largely funded by the European Regional Development Fund) in upgrading the road infrastructure and in partially remediating the land. Tilfen obtained outline planning permission for 1.1 million square feet of light industrial use and has obligations (and an exclusive right) to bring forward development on a speculative and design-and-build basis.
- 1.2. On 9 March 2010, the LDA and Tilfen entered into an agreement with Crossrail to allow temporary use of a plot of land at White Hart Triangle for construction purposes (shown as “reserved for future development” on the attached plan). The new Crossrail line is situated along the southern boundary of the site and Abbey Wood Station is a few miles away. This agreement removed the potential for Crossrail to exercise its right of compulsory purchase over the land. Pursuant to this agreement, Crossrail took possession of the plot in April 2011.
- 1.3. In the course of discussions, Crossrail made enquiries around taking additional land at the site for more extensive construction works, car parking and materials storage for a period up to 2018. Crossrail indicated that it wished to purchase the land outright for the creation of permanent overnighting sidings, once the railway line becomes fully operational. Development of this land will generate 30 additional jobs, serves to give GLAP a disposal route on a large portion of the remaining land and supports a key Mayoral infrastructure project.
- 1.4. On 20 February 2012, the LDA endorsed the decision to sell 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. A sale price for the land (plots D, F and Plot 112b) was agreed, together with Crossrail agreeing to relocate the Marmadon Road Sewer at nil cost to GLAP. This sewer currently crosses plot E and its routing and poor condition adversely affects the development potential of the GLAP’s retained land.
- 1.5. During the course of the transactions additional spend was incurred through prolonged legal negotiations with CrossRail and a total of £23,548 was spent to complete the documents.
- 1.6. Since the negotiations with CrossRail have been completed Tilfen land has been subject to parent company take-over by Peabody and has been conducting an internal review of its landholdings with a view to establishing a future long-term delivery strategy.
- 1.7. Following these activities GLAP and its partners have decided to review the partnership arrangement and decide on the most suitable way forward to continue to deliver employment space on the White Hart Triangle site.

2. Objectives and expected outcomes

- 2.1. GLAP has continued to operate under the Joint Venture Agreement with Royal Borough of Greenwich and Tilfen in order to progress the development, although it has become evident

through the latest transactions that the agreement may need review in order to facilitate the types of sales/disposals that the partners wish to promote.

- 2.2. By reviewing the JVA GLAP intends to identify a more efficient route to disposal and thereby realise some of the stated objectives for the project. Initial discussions with Tilfen/Peabody have identified that it may be desirable for GLAP's land holdings to be transferred to Tilfen/Peabody under the terms of the JV Agreement to ensure the comprehensive delivery of the area and to crystallise the receipt to GLAP.
- 2.3. GLAP will use internal legal advice in the first instance to scope any new legal structures that might be proposed to ensure that external legal fees are not incurred unnecessarily but in due course external legal fees will be required to complete the next phase of the project: whether as a revision to the JVA or otherwise.

3. Equality comments

- 3.1. A consideration of the public sector equality duty has not identified any likely potential impacts, either positive or negative, of the decision on those with protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation).

4. Other considerations

Delivery of the Mayor's objectives

- 4.1. GLAP is committed to delivering employment space on the site and therefore wants to work with its partners to ensure that the sites are brought to the market in an effective and timely manner.
- 4.2. There is a concern that without renewed focus from the partners that this project could continue to drift and not realise its potential benefits.

Partnership working

- 4.3. GLAP and its partners are all experienced in project delivery and GLAP does not intend to amend the JVA without a clear strategy for the land and its redevelopment. However, GLAP recognises that it may be more effective for one partner to take responsibility for the delivery of the site and the JVA will be reviewed to promote the most appropriate disposal route.

5. Financial comments

- 5.1. This decision requests approval for retrospective as well as future revenue expenditure totalling £33,548 in relation to legal and valuation matters at White Hart Triangle.
- 5.2. Retrospective approval amounts to £23,548 whereas, the remaining balance of £10,000 is to be incurred in the 2017/18 financial year. The balance will be earmarked in the Land and Property Programme budget within the Housing and Land Directorate.

6. Planned delivery approach and next steps

- 6.1. Being keen to create momentum on the project the GLAP project team will work with Peabody, Tilfen and the Royal Borough of Greenwich to identify a way forward for the partnership, whether this be through a revision to the Joint Venture Agreement or through amending the agreed structure and a new approach.

Appendices and supporting papers:

No additional supporting paper is presented

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? NO

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 – NO

ORIGINATING OFFICER DECLARATION:**Drafting officer:**

Philippa Bancroft has drafted this report in accordance with GLA procedures and confirms that the Finance and –if relevant- Legal teams have commented on this proposal as required, and this decision reflects their comments.

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 10 April 2017

HEAD OF FINANCE AND GOVERNANCE:

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

Signature: *PP*

Bancroft

Date: *10/4/2017*