

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION – MD1593

Title: Disposal of land at Beam Reach 8 to Evonik Degussa

Executive Summary:

GLAP wishes to dispose of a plot of vacant land at Beam Reach 8 in the London Riverside area to Evonik Degussa on a freehold basis. The land parcel is situated in the London Borough of Havering and adjoins existing land holdings of Evonik Degussa and would facilitate a new and improved access to their site. GLAP is seeking permission to dispose of the site to this special purchaser.

Decision:

The Mayor approves the freehold disposal of Asset 03/021 at Beam Reach 8 to Evonik Degussa.

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:

10.2.2016

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

Decision required – supporting report

1. Introduction and background

- 1.1. GLAP holds a number of infrastructure assets in the Beam Reach 8 area, transferred from the London Development Agency (LDA) in 2012 under the Localism Act. Before the transfer, the LDA assembled industrial land at Beam Reach 5, 6 and 8 and CEME for disposal and development. To facilitate the disposal of development plots the LDA also invested in infrastructure provision, including roads and flood defences. These associated land parcels remained within LDA ownership and subsequently transferred to GLAP.
- 1.2. GLAP recently undertook a procurement exercise to select a development partner for the wider sites in the London Riverside area. However, the subject land did not form part of this portfolio because it was classed as an infrastructure asset and not a development opportunity.
- 1.3. GLA has been approached by Evonik Degussa, an existing land owner, regarding the purchase of the asset 03/021 Beam Reach 8 (as identified on the attached plan at Appendix 1). Evonik Degussa currently does not have a satisfactory access to its existing site and is constrained by surrounding watercourses and third party ownership. The purchase of the GLAP owned plot would enable the construction of a larger, vehicular entrance into the site.

2. Objectives and expected outcomes

- 2.1. The objective of the disposal is to reduce GLAP's ongoing site management and maintenance costs and facilitate the growth of business and job creation in London Riverside. The plot of land is narrow and consists of verge which provides visual amenity but does not constitute a formal potential development plot. By disposing of the site GLAP will reduce its management liability and see the site maintained and managed by the owner-occupier.

3. Equality comments

- 3.1. The disposal has been subject to a Red Book Valuation which is required to meet the RICS mandatory rules and best practice guidance, which promotes high standards of transparency and accuracy in valuation.

4. Other considerations

4.1. Consideration

Evonik Degussa has provided GLAP with a Red Book Valuation of the site, carried out by Glenny (a local agency and surveying company) in accordance with the RICS code of valuation. GLAP appointed GL Hearn to undertake a review of Glenny's Red Book valuation and provide advice on whether the consideration satisfies GLAP's requirement to achieve Best Consideration when disposing of land. The advice note provided by GL Hearn is included at Appendix 2. This note has considered Evonik Degussa as a special purchaser and the potential for marriage value.

4.2. Planning

It is not considered that there are any planning impediments to the construction of the access.

5. Financial comments

- 5.1. Finance comments are contained in Part 2.

6. Legal comments

- 6.1. GLAP has been advised by Eversheds in relation to this disposal.
- 6.2. Section 30 of the Greater London Authority 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:
 - Promoting economic development and wealth creation in Greater London;

- Promoting social development in Greater London; and
- Promoting the improvement of the environment in Greater London.

6.3. It should be noted that as GLAP will be a party to the legal documentation, GLAP will also need to approve the disposal in accordance with its constitution.

6.4. The information in Part 2 is information the disclosure of which would be likely to prejudice the commercial interests of GLAP. It is therefore covered by Section 43(2) (commercial interests) of the Freedom of Information Act 2000. It contains information as to value and price which if disclosed would adversely affect GLAP's ability to secure other disposals at market value.

7. Housing Investment Group

7.1. The disposal was endorsed by Housing Investment Group on 9 December 2015.

8. Planned delivery approach and next steps

Activity	Timeline
Agree terms of sale contract	November 2015
Exchange of contracts	December 2015
Completion	December 2015 /January 2016

Appendices and supporting papers:

APPENDIX 1: 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, until date of exchange.

Expected by 28 February 2016

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:

Philippa Bancroft 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:

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

✓

Sponsoring Director:

David Lunts has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Ric Blakeway has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Blac

Date

8-2-16

CHIEF OF STAFF:

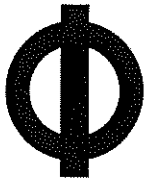
I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

Edmund h

Date

09:02:2016



Transport for London
TfL Operational Property
Commercial Development
Windsor House
42-50 Victoria Street
SW1H 0TL

Land at
Coldharbour Lane
Rainham, Essex RM1



A4 Landscape

Date : Sept 2015

Initial : JG

File : PAR

Scale : 1/1250 at A4

OSGB co-ordinates
551812, 180486

