

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD1461

Title: Manor Road Retail Park Legal and Valuation Costs

Executive Summary:

On 9th December 2015, Housing Investment Group (HIG) endorsed expenditure of up to £70,000 to cover the necessary professional fees (legal and property valuation) to facilitate work relating to tenancy regulation, land valuation and legal fees relating to the disposal for development of the Manor Road Site.

This Director Decision seeks approval of such expenditure of up to £70,000 to appoint:

- Eversheds LLP (legal advisors) through TfL's Legal Framework arrangements to undertake work to regularise tenancies and complete the land sale arrangements; and
- Property advisors through TfL's Framework arrangements to undertake a valuation of the site.

Decision:

Executive Director approves expenditure of up to £70,000 to undertake the required valuation and legal work to regularise the tenancies and complete the land sale of the site in Manor Road, Canning Town.

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: Executive Director

Signature:



Date: 23.2.2016

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 In February 2015 Gort Scott was commissioned from the Mayor's Architecture, Design and Urbanism Panel, through a competitive process, to provide a development capacity study for the site in Manor Road in order to understand the potential for residential development. This capacity was also considered in respect of the other land surrounding the site.
- 1.2 Discussions are underway with adjacent landowners (LB Newham and the English Cities Fund) regarding potential packaging of the Manor Road site with these wider site, in line with the preferred policy option set out in the Canning Town and Custom House SPD.
- 1.3 GLAP is keen to ensure that Site development comes forward, not just in order to deliver much needed new housing in Newham, but also in order to provide a receipt to the GLA, which in turn will help to fund the operation of the GLA and delivery of the Mayors strategies and policies.
- 1.4 An open market valuation will be undertaken to establish the value of the site to ensure that Best Consideration is achieved in any arrangements to dispose of the site. This valuation will be undertaken to Red Book standard by a RICS accredited valuer, appointed using the GLA's property framework.
- 1.5 Should a disposal be agreed, a paper will proceed to HIG and for Mayoral Decision to approve the terms and structure of any arrangement. However, before that can take place, GLAP needs to be confident that the proposed agreement ensures that its interests remain suitably protected and that returns are maximised.
- 1.6 Eversheds LLP will provide legal advice on all matters including the regularisation of existing tenancies on the site and the drafting of any option/disposal contracts.

2. Objectives and expected outcomes

- 2.1 Following endorsement from HIG for the long term disposal route of the site; the valuation of the site and the appointment of Eversheds will ensure in the short term, the cost and liabilities are minimised for the site, alongside the long term ambition to deliver a comprehensive residential development.
- 2.2 This ultimately will lead to a land payment to the GLA, alongside the delivery of new homes on GLA land in London Borough of Newham.

3. Equality comments

- 3.1 The proposed disposal of Manor Road Retail Park as a housing led scheme is aimed at implementing the Mayor's policies set out in the Mayor's London Housing Strategy. In January 2014 the GLA published an integrated impact assessment ("IIA"), including an equalities impact assessment, of that strategy. The policies related to increasing housing supply, of which this paper relates, were covered by the Integrated Impact Assessment (IIA) for the Further Alterations to the London Plan.

- 3.2 The IIA concluded that updating housing projections and targets would support the delivery of sufficient housing and may help stabilise housing prices, supporting equal opportunities throughout communities. Furthermore, the provision of housing, including maximising the delivery of affordable housing would be in line with other policies of the Plan (e.g. Policy 3.5), ensuring that the needs of different groups are taken into account in the housing design.
- 3.3 The delivery of new and additional homes at Manor Road will help to implement Objectives 1, 2, 3 and 4 of the Mayor's Equalities Framework "Equal Life Chances for All" (June 2014) through the creation of new homes, housing products and well-designed housing schemes.
- 3.4 Pursuing a residential-led scheme will meet the objectives of LB Newham as set out in its Core Strategy to provide affordable, lifetime homes for its residents, with exemplary urban design and sustainable development.

4. Other considerations

- 4.1 There are no further considerations for this report.

5. Financial comments

5.1 This decision requests spend on Legal and Valuation costs up-to £70k, which will be funded from the revenue Land and Property programme budget allocated to Manor Road in the first instance (around £60k), with additional £10k to be funded from the forecast underspend within the overall Housing and Land budget.

5.2 Any additional expenditure exceeding the requested amount of £70k should be accompanied by a separate decision to establish the source of that funding.

6 Legal comments

- 6.1 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:
- 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

and, in formulating the proposals in respect of which a decision is sought, officers confirm they have complied with the GLA's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people;
- consider how the proposals will promote the improvement of health of persons in Greater London, promote the reduction of health inequalities between persons living in Greater London, contribute towards the achievement of sustainable development in the United Kingdom and contribute towards the mitigation of or adaptation to climate change in the United Kingdom; and
- consult with appropriate bodies.

- 6.2 Sections 1 - 3 of this report indicate that the decision requested of the Director falls within the GLA's statutory powers.

7. Planned delivery approach and next steps

Activity	Timeline
Procurement of Eversheds LLP	Feb 2016
Redbook valuation of site	Feb 2016
New leases agreed	Q4 2015/16
Confirmation of disposal route	Q4 2015/16
HIG / MD approval	March 2016

Appendices and supporting papers:

None

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

If YES, for what reason:

Until what date: (a date is required if deferring)

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 to
confirm the
following (✓)

Drafting officer:

Sarah Coutts has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

David Lunts 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

M. J. Blle

Date

14.2.16

