

# GREATER LONDON AUTHORITY

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD411

**Title:** Countryside Properties (UK) Limited – Change in Control Consent

### Executive Summary:

This paper seeks agreement to a request by Countryside Properties (UK) Limited for the Greater London Authority (GLA) and GLA Land & Property Ltd (GLAP) to consent to a Change in Control of the holding company of the developer in accordance with three Funding Agreements the GLA /GLAP have with Countryside Properties (UK) Limited.

### Decision:

That the Assistant Director – Programme, Policy and Services approves:

- GLA issuing consent required pursuant to (1) a FirstBuy Grant Agreement between the Homes and Communities Agency and Countryside Properties (UK) Limited dated 7 October 2011 and (2) a HomeBuy Direct Grant Agreement between the Homes and Communities Agency and Countryside Properties (UK) Limited dated 1 October 2010; and
- GLA Land and Property Limited issuing consent required pursuant to a Housing Gap Funding Agreement for Phase 1A Lymington Fields between the Homes and Communities Agency, Countryside Properties (UK) Limited, Metropolitan Housing Trust Limited and Metropolitan Living Limited dated 22 December 2009

for a change in control of Countryside Properties (UK) Limited (Countryside) by virtue of a new UK-incorporated public limited company, listed on the London Stock Exchange, becoming Countryside's new holding company.

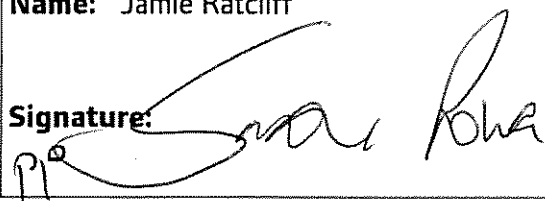
### AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

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:** Jamie Ratcliff

**Position:** Assistant Director – Programme, Policy and Services

**Signature:**



**Date:** 23/03/16

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 The GLA has received a request from Countryside Properties (UK) Limited (Countryside) to sign a Change in Control Consent as required under clauses contained in three Funding Agreements listed at 1.4 below (the Funding Agreements).
- 1.2 Countryside Properties group has recently undertaken an initial public offering on the London Stock Exchange and a consequential corporate reorganisation, involving the insertion of a new UK-incorporated public limited company, Countryside Properties plc (CPPLC), as Countryside's new holding company. CPPLC has become Countryside's new holding company and this has in turn resulted in a "Change in Control" for the purpose of the Funding Agreements. It should be noted that the consent is being sought retrospectively.
- 1.3 The Funding Agreements were originally entered into by the Homes & Communities Agency (HCA) but the HCA's rights and liabilities under these agreements subsequently transferred to the Greater London Authority (GLA) and GLA Land & Property Limited (GLAP) in April 2012 as part of the devolution of the HCA's housing and regeneration functions in London to the GLA as provided under the Localism Act.
- 1.4 The three Funding Agreements are:
  - a) FirstBuy Grant Agreement London (7 October 2011)  
Homes & Communities Agency and Countryside Properties UK Limited  
(Now a GLA agreement)
  - b) HomeBuy Direct Grant Agreement (EYF Funding), Leopold Estate (1 October 2010)  
Homes & Communities Agency and Countryside Properties UK Limited  
(Now a GLA agreement)
  - c) Housing Gap Funding Agreement, Lymington Fields (Phase 1A) (22 December 2009)  
Homes & Communities Agency and  
Countryside Properties UK Limited / Metropolitan Housing Trust Limited and  
Metropolitan Housing Trust Limited / Countryside Properties UK Limited / Metropolitan  
Living Limited  
(Now a GLAP agreement)
- 1.5 Under the FirstBuy Agreement, between September 2012 and March 2013 the HCA paid grant to Countryside in respect of 40 FirstBuy units with the grant amount totalling £807,500.
- 1.6 Under the HomeBuy Direct agreement, between March 2012 and June 2012 the HCA paid grant to Countryside in respect of 31 HomeBuy Direct units with the grant amount totalling £1,047,655.
- 1.7 In 2009, the HCA approved Kickstart Gap Funding and Affordable Housing Grant for Lymington Fields (Phase 1A) in the sum of £4,156,071 and £641,000 respectively to deliver a mix of open market and affordable rented units. The Gap Funding was payable to Countryside Properties (UK) Limited and the Affordable Housing Grant to Metropolitan Housing Trust. The project completed in March 2012 and in September 2012, the GLA confirmed it was satisfied that for this particular project there was no clawback required under the Funding Agreement.

1.8 Provisions requiring GLA/GLAP consent to any change in control of Countryside are set out within each of the Funding Agreements. All three Funding Agreements contain substantively the same Change in Control provisions. It should be noted that under these provisions GLA/GLAP records its intention (but without fettering its contractual rights) *"to look favourably on applications for consent to Change in Control which are either received from a company whose shares are listed on a recognised investment exchange as such expression is defined in the Financial Services and Markets Act 2000 or which will not materially and adversely affect the performance of the Developer's obligations under this Agreement."* Under the change in control, Countryside's new holding company is a new public limited company listed on the London Stock Exchange. Further, the developments under the three Funding Agreements completed in 2012 or 2013 with any FirstBuy/HomeBuy Direct units having been disposed of on an equity loan basis. GLA officers are therefore satisfied that the change of control would not materially or adversely affect the performance of any Countryside obligations under the Funding Agreements.

1.9 The GLA/GLAP has the right to withhold its consent if the new Countryside holding company does not have sufficient financial standing, organisational standing and capacity or reputation for it to be reasonable for the GLA/GLAP to assume that it will ensure that Countryside complies with the relevant Funding Agreement. Again, however, given that the relevant developments have been completed and the funded units let or disposed of in accordance with the Funding Agreements, GLA officers are satisfied that the change in Countryside's holding company will not affect Countryside's ability to comply with the Funding Agreements.

## **2. Objectives and expected outcomes**

2.1 Approval to the Change in Control Consent will enable Countryside Properties (UK) Limited to fulfil its obligation as set out under clauses contained in three Funding Agreements listed at 1.4 above.

## **3. Equality comments**

3.1 In view of the fact that these schemes were delivered in 2012/13 and that the GLA/GLAP is being asked to give its consent to a Change in Control of Countryside Properties (UK) Limited holding company GLA officers are of the opinion that there will be no impact on the protected characteristics (*age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation*) of Londoners.

## **4. Other considerations**

4.1 Provisions within the Agreements set out details which should accompany an application for consent to a Change in Control. Some of these details can't be provided because the controller is a new UK-incorporated PLC. As such the GLA simply needs to be satisfied that Countryside Properties (UK) Limited and the new PLC will (continue to) be able to perform its obligations under each of the Agreements.

4.2 No risks or issues have been identified as the developments have already been completed and the FirstBuy and HomeBuy Direct units sold.

## **5. Financial comments**

5.1 There are no financial consequences of this decision. All FirstBuy and HomeBuy Direct mortgages relating to this scheme have been moved to the individual purchasers.

5.2 Finance has had sight of the deeds from one property from each scheme and it has been noted that the GLA's charge is present.

**6. Legal comments**

6.1 Legal has been consulted and their comments are reflected in this report.

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

7.1 The outputs under each of the three Funding Agreements listed at 1.4 were delivered in 2012/13.

<b>Activity</b>	<b>Timeline</b>
ADD approval	31.03.16
Issue the Change of Control Consent	31.03.16

**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:**

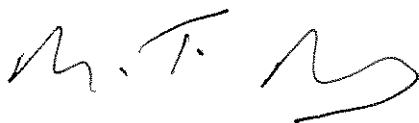
Ray Everingham has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

**HEAD OF FINANCE AND GOVERNANCE:**

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

**Signature:**



**Date:**

23.03.16

