

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2856

Title: Pylon land – land to the east and west of Woolwich Manor Way, Beckton

Executive summary:

This MD seeks approval to transfer the freehold title of the nine separate parcels of land identified on the attached plan and known as “the land to the east and west of Woolwich Manor Way, Beckton” (pylon land) to the London Borough of Newham (LB Newham). The total area of the land to be transferred is 1.26 hectares.

The land is currently owned by GLA Land and Property Limited (GLAP), a GLA-owned company, and was previously leased to the LBN. Under the terms of the lease dated 8 December 1995, made between (1) London Docklands Development Corporation, (2) Winsor Park Management Company Limited and (3) the LBN, GLAP was able to transfer the land to the LBN at any time. The term of the lease expired on 8 December 2014. In accordance with the terms of the lease, prior to expiry, GLAP exercised its right to notify the LBN of its intention to transfer the land to the council at a future date.

The land only serves to house electrical pylons, has no redevelopment potential and is of nominal value if sold on the open market. An independent valuation from our consultant Jones Lang LeSalle (JLL) is attached.

Decision:

That the Mayor approves the proposed transfer of the pylon land to the London Borough of Newham for a sum of £1.

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:

27/10/21

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

Decision required – supporting report

1. Introduction and background

- 1.1. As the statutory successor in title to the London Docklands Development Corporation, GLAP owns the freehold interest of the land at the east and west of Woolwich Manor Way, Beckton. The land was leased to the LB Newham for a term of 19 years from 8 December 1995, at a peppercorn rent. The term of the lease expired on 8 December 2014.
- 1.2. The land (as shown on the attached plan) consists of nine separate parcels totalling approximately 1.26 hectares and is used to house electrical pylons. The land serves no purpose for GLAP and if retained would become an ongoing liability. There is no rental income and the land is not suitable for development purposes. The sites have a nominal value and this is confirmed by the attached valuation from JLL. LB Newham maintained the land during the term of the lease and has continued to maintain the land following expiry of the lease's term at no cost to GLAP. Were the land to revert to GLAP, there is a potential liability for ongoing maintenance. The land could also be subject to fly-tipping, resulting in clearance costs to GLAP.
- 1.3. An option in the lease enabled GLAP to transfer the land to LB Newham for no consideration. A notice to exercise this option was served by GLAP prior to the expiry of the lease's term, but the transfer of the freehold has not yet been legally completed. Under the terms of the option, the LBN has to accept the transfer of the land.
- 1.4. As soon as the transaction is approved, the transfer documents will be issued for completion.

2. Objectives and expected outcomes

- 2.1. The objective is to transfer the land and all future liabilities to LB Newham. All responsibility for maintenance, and health and safety, will transfer to LB Newham on completion of the transfer. This will alleviate GLAP from this responsibility.
- 2.2. It is GLAP's policy to avoid holding land unnecessarily, and the disposal of this surplus land aligns with this objective.

3. Equality comments

- 3.1. Functions of the GLA exercisable by the Mayor are subject to a public sector equality duty and must have 'due regard' to the need to: (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.2. The transaction proposed by this decision is not considered to have a disproportionate impact on any groups with protected characteristics. Therefore, there are no mitigations proposed in relation to it.

4. Other considerations

Key risks and issues

- 4.1. If the land is retained, GLAP would be responsible for maintenance. This liability is removed by transferring the property to LB Newham.

Links to Mayoral strategies and priorities

- 4.2. Most of the land is green space and is available for use by the local community. By transferring the land to LB Newham, it will be retained for this purpose. This aligns with the Mayor's Environment Strategy by continuing to provide places to relax, exercise and socialise in.

Declaration of interests

- 4.3. There are no conflicts of interest to declare for those involved in the drafting or clearance of the decision.

5. Financial comments

- 5.1. The decision is seeking approval for the freehold disposal of pylon land to the LBN. The land was previously leased to the LBN and has no redevelopment potential. The land has been valued at a nominal value of £1 by professional valuers, JLL.
- 5.2. The pylon land will be transferred to the LBN for nil consideration. However, for VAT purposes the transfer must take place for a minimum £1 consideration (exclusive of VAT) and this should be reflected in the Title Registration transfer documentation (TR1).
- 5.3. The pylon land is held in the GLAP fixed asset register at the value of £1. There are no known VAT or Corporation tax issues arising from this transaction.
- 5.4. GLAP will issue a VAT invoice to LB Newham upon transfer of this asset.

6. Legal comments

- 6.1. GLAP has been advised by Eversheds Sutherland throughout this transaction in relation to the exercise of the option and the preparation of the transfer.
- 6.2. Section 30 of the Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything that 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
 - promoting the improvement of the environment in Greater London.
- 6.3. Section 34 of the GLA Act provides the GLA with a secondary power to do such things (including the acquisition or disposal of any property or rights) as may be considered facilitative or conducive or incidental to the exercise of any of the functions of the GLA.
- 6.4. Section 333ZC of the GLA Act provides that the GLA may not dispose of land held by it for the purposes of housing and regeneration for less than the best consideration that can reasonably be

obtained, unless the Secretary of State consents. In this case the land will be transferred for a nominal value of £1 in line with the valuation.

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

7. Planned delivery approach and next steps

Activity	Timeline
Complete legal formalities	By 31 October 2021

Appendices and supporting papers:

Appendix 1 - Plan of land to be transferred

Appendix 2 - Jones Lang LeSalle valuation

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included 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:

Alun Jones has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

Tom Copley has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 18 October 2021

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

21/10/21

D. Gove

CHIEF OF STAFF:

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

Signature

D. Jellamy

Date

18/10/21