

Lance Forman
Managing Director
H Forman & Son
30A Marshgate Lane
London E15 2HX

Date:
22 JUN 2005

Dear Mr Forman

Thank you for your letter of 2 June about the relocation of businesses affected by the Olympic bid.

You will be aware that I have already made commitments publicly that should London be awarded the honour of staging the Olympic and Paralympic Games in July, all relocated businesses will be fairly treated and fully supported.

My assurance that no business relocated would be financially worse off reflects the clear commitment and guarantee to this effect set out in clause 2 c) of the Charter on business relocation issued by the LDA and supported by the London Borough of Newham.

This commitment to the businesses affected is reinforced by the other provisions of the Charter including:

- Providing every business with free professional legal and surveying advice
- Ensuring that every business has the opportunity to negotiate on an alternative relocation site under the LDA's control
- Providing every business with a period of at least two years in which to relocate following a decision to award the Games to London
- Developing tailored support and advice packages for every business affected
- Compensating businesses in respect of all costs incurred in relocating, including loss of profits
- Accepting independent arbitration in respect of any dispute over valuation or relocation compensation

These commitments reflect my determination that there should be an agreed and transparent framework for individual commercial negotiations that is as generous to all businesses affected as the law allows. The Charter provides such a framework. What the LDA cannot lawfully do is to use taxpayers' money to pay businesses several times the market value of their land, as appears from its statements to be the ambition of your Business Group.

The LDA will pay full market value for any land it purchases, pay full compensation for all costs to businesses, including loss of profits, meet any affordability gap in accordance with Clause 2 c) of the Charter and honour all the other commitments in the Charter. The LDA will agree to abide by independent arbitration on any disputes about valuations or relocation compensation.

Now that all these guarantees and commitments are in place for the businesses the right and only way forward is via individual commercial negotiations especially as businesses have the support of the professional advice being paid for by the LDA. In these circumstances – and given the advanced stage many individual negotiations have reached - I do not think it would be appropriate or likely to move things forward for me to meet with you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken Livingstone', with a large, stylized flourish at the end.

Ken Livingstone
Mayor of London

Marshgate Lane Business Group

30A MARSHGATE LANE STRATFORD LONDON E15 2HX

2nd June 2005

02 JUN 2005

Ken Livingstone
Mayor of London
Greater London Authority
City Hall
The Queen's Walk
London SE1 2AA

Via fax: 020 7983 4057

Via email: mayor@london.gov.uk

Dear Mayor Livingstone,

I was delighted to read your letter in the Evening Standard on 2nd June with your categorical reassurance that "no business relocated if we host the Games will be financially worse off as a result of the process" and that you are doing everything in your power "to ensure these businesses find appropriate new sites."

As we have your reassurance in principal, representatives from the Marshgate Lane Business Group, which represents the majority of local businesses affected by the Olympic Bid, would like to meet at the earliest opportunity to iron out the detail to make this happen prior to the IOC decision on 6th July. If I may I will call your office later this week to arrange a time.

Yours sincerely,

Lance Forman, Managing Director, H Forman & Son
For and on behalf of The Marshgate Lane Business Group

Lance Forman
Managing Director
H Forman & Son
30A Marshgate Lane
London E15 2HX

Our Ref: MGLA240605-8896

Date:

04 JUL 2005

Dear Mr Forman

Thank you for your letter dated 23 June.

I am surprised by some of your comments, given the assurances made to you on a number of occasions. I can only reiterate these assurances and my commitment to them. Your assertions about the LDA's approach are not correct.

As a major landowner, the LDA owns or controls enough land to relocate each business appropriately and has already offered to do so. The LDA will pay full market value for any land it purchases, pay full compensation for all costs to businesses, including loss of profits, meet any affordability gap in accordance with the Charter and honour all the other commitments in the Charter, including those on meeting businesses' legitimately incurred professional fees. The LDA will abide by independent arbitration on any disputes about valuations or relocation compensation.

You will appreciate that the LDA has a responsibility when using public money to not only to ensure that businesses in these circumstances are fairly treated, but also to safeguard the interests of the tax payer. The LDA cannot write blank cheques.

I repeat again the firm assurance given by the LDA and myself that no business will be financially worse off as a result of the relocation process and that every business will be fully supported to enable them to continue trading successfully.

With regard to your own case, I understand that you are engaging in detailed discussions with the LDA who have recently identified an alternative site for you. I would encourage you and your agents to pursue these negotiations directly with them and I trust that you will soon be able to reach agreement.

Yours sincerely


Ken Livingstone
Mayor of London

Marshgate Lane Business Group

30A MARSHGATE LANE STRATFORD LONDON E15 2HX

Telephone: [REDACTED]

23rd June 2005

2 mcs

Ken Livingstone

Mayor of London

Greater London Authority, City Hall

The Queen's Walk, London SE1 2AA

Via fax: 020 7983 4057

Via email: mayor@london.gov.uk

Dear Mayor Livingstone,

RELOCATION OF BUSINESS – LONDON 2012

Thank you for your letter of 22 June.

I note the points you have made but would like to express the serious concerns of the businesses which remain unclear or unaddressed.

First and foremost I should like to make clear that the businesses do not wish to profiteer from the Games. Our position has always been the fair one of economic neutrality. You have been misinformed as to our position.

Sadly, our experience with the LDA over the last 18 months has been a very bad one. They have told us that they do wish to do conditional deals with the businesses in order that the businesses can plan for their futures, but other than seven signed deals, none others have been actually completed. The businesses feel that they have been encouraged into bogus negotiations with the LDA and that the LDA have been stringing them along to draw out any decision until after July 6th, when they will use CPO powers, which we all know are not fair. Under CPO, compensation payments flow significantly after expenditure is required and so businesses could collapse as a result of impossible cashflows. This is not in the spirit of the Olympics or for the good of jobs and business in London.

In our particular case, we signed a heads of terms with the LDA last October on a relocation site and there is absolutely no good reason why the full Agreement could not have been signed weeks after, except for the fact that the LDA introduced new significant clauses, delayed and shifted goalposts in a clear effort to avoiding making any serious commitment. Now it is highly likely that the piece of land we had found which could have been used to secure our future may no longer be available and our business is under threat. The other problem we face is that it took two years to relocate our business previously to Marshgate Lane and that is all the time the LDA are giving us to relocate and at the moment we don't even have a site to move to. You may also be aware that we received grant funding from the LDA to move into Marshgate Lane yet no one at the LDA had made us aware that this site would later be required.

The land which the LDA claims it owns for relocating businesses to, in many cases is not owned or even controlled by them. We have conducted land registry searches to show this. The land offered to businesses is not "like for like" in some really fundamental respects; particularly the LDA land does not have similar planning permissions and licences as the businesses in Marshgate Lane presently enjoy. Without correct planning or access or utilities, the offer to relocate businesses there, wholesale, is a redundant offer which the LDA cannot fulfill, as has been demonstrated in negotiations to date. Businesses operating in predominantly industrial and light industrial sectors are being offered land with residential and office class uses which obviously command premium prices. Such uses are redundant to us and are exacerbating the problems of the price differentials ("affordability gap") which you have said will be plugged, but remain vague about the manner of such plugging. The problems will be particularly acute for the waste businesses, businesses requiring significant time periods to move and businesses which cannot be located any further out from central London than they are at present.

If businesses cannot be relocated then they will need to be extinguished. You have said that "all relocated businesses will be fairly treated and fully supported", but what about the businesses which cannot be relocated?

How fair would it be that our 100 year old, world-class, business should close down for the sake of two weeks of sport? What support can we expect given the shabby way in which we have been treated to date. I have spent over 1000 hours trying to find a solution to our problems. For a small business, this is very damaging and the LDA whose remit it is to support small businesses has been extremely unhelpful.

The businesses currently occupy about 240 acres of land and all you have in the budget to relocate them is £350 million. Worse still, this funding must cover land assembly and remediation, all the disturbance costs associated with relocations, Olympic and non-Olympic masterplanning development and facilitation of comprehensive regeneration of the area. It is extremely clear to the businesses, who have been seeking relocation sites, unsuccessfully, that this level of funding falls way short of the amount required - on an economically neutral basis - to relocate them. Consequently we are concerned that instead of being relocated many of our businesses will be extinguished.

It is hardly surprising that your budgets are too low as they were established in November 2002 and have not been revised since then. Even the LDA's own advisers, Glenny, claim that industrial land in this part of London has grown in value "exponentially" in the last two years and that demand is "insatiable". Your budgets should have been revised.

You claim that the LDA will meet the affordability gap subject to the Clause 2c) of the Charter. This does not go far enough. The businesses do not want to have the LDA becoming equity partners in their future businesses or have the LDA retain shares or joint ownership in their future sites, in the same way that you would not wish the Olympic site to be encumbered by the existing businesses maintaining some level of ongoing ownership. Perhaps when the LDA sells the Olympic Park site on to developers, post Olympics, the existing landowners should share in the profits? It is plainly wrong that you should be buying our sites at a price which does not enable us to relocate and then will sell the sites on later at a profit which will help you subsidise the cost of the Games.

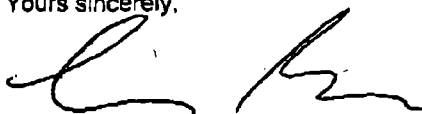
Offering market value for sites is inappropriate too where you are taking the whole market. The fair approach to relocating the businesses is to undertake to guarantee the full cost of relocation to like-for-like sites. The definition of like-for-like should refer to location, access, desirability etc and not price. Land values in the Olympic Park have been blighted for 18 months whereas land outside the Park has experienced significant growth. If you were able to guarantee that the cost of like-for-like sites would be fully paid for by the LDA - or indeed mere swaps of land, with appropriate planning permissions - without any strings attached then I am confident the businesses would feel secure enough to come back to a position where they support London's bid.

Finally, I should like to add that your commitment and regular claims that you are providing every business with free professional advice is both misleading and provocative. The professional team acting for the businesses have been working for over a year on this project and have to date not been paid a penny. Having at the request of the LDA submitted timesheets on a regular monthly basis for over a year, which were accepted each month unchallenged, and having by agreement withheld submitting invoices to the LDA until this financial year, in order to help the LDA, the advisers now find that the LDA - contrary to your statements on this subject (including the one repeated in your letter) - now deny that they even have a liability to pay the professional team. It is also worth pointing out that the costs of such professional advice is in any event a compensatable item so there is an obligation to pay - the businesses know this full well.

Perhaps there is a willingness at your level to resolve these issues, but the LDA's handling of the situation has been completely at odds with what one would expect from a business support agency and that is why the businesses are so frustrated, angry and concerned. Your failure to meet with us and Lord Coe's failure to meet with us has not helped this situation and only made us feel that you would rather not look us in the eye before we are finally executed.

If there is a willingness on your part to resolve the situation and convince the businesses of your sincere intentions with firm commitments, a delegation of businesses would be happy to meet with you at short notice to hammer out a solution to this problem. It has never been the intention of the businesses not to support London's bid. There is still time for the businesses to wave "Back the Bid" flags in Singapore.

Yours sincerely,



Lance Forman, Managing Director H. Forman & Son
For and on behalf of Marshgate Lane Business Group

GREATER LONDON AUTHORITY

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Web: www.london.gov.uk

Mr L Forman
H Forman and Sons
30A Marshgate Lane
London E15 2NH

Our ref: MGLA130705-2050

Date: 17 August 2005

Dear Mr Forman

Relocation of Businesses – London 2012

Thank you for your letter of 11 July.

The work to deliver a successful Olympic Games for London and the regeneration of the Lower Lea Valley is now of paramount importance. I am personally determined to ensure that we deliver an exemplary Games which will bring real and lasting benefits for all Londoners for generations to come.

We have a great deal to do now in a relatively short time frame and there are some immediate priorities in relation to acquiring the remaining land needed to build the Olympic Park. As you are aware, the London Development Agency (LDA) has the power to acquire the land through Compulsory Purchase Orders, and will use this power to guarantee that the land is delivered on time.

However, the overriding preference for acquiring land will continue to be through private treaty and the LDA is confident that with the certainty we now have through the success of the bid, it can progress and reach private agreements with every business willing to negotiate.

With regard to your own case, I understand that you are exploring two site options – one in Bow and the other in Leyton. Given the state of negotiations, I think it would be best to push ahead with your negotiations with the LDA as rapidly as possible.

Yours sincerely



Ken Livingstone
Mayor of London

13 JUL 2005

11 JUL 2005 12:55

Hard copy given to Dave
Turner 13/7/05
+ Neelie Coleman.

Marshgate Lane Business Group

30A MARSHGATE LANE STRATFORD LONDON E15 2HX

Telephone: [REDACTED]

11th July 2005

Ken Livingstone
Mayor of London
Greater London Authority, City Hall
The Queen's Walk
London SE1 2AA

Via fax: 020 7983 4057

Via email: mayor@london.gov.uk

Dear Mayor Livingstone,

RELOCATION OF BUSINESS – LONDON 2012

Thank you for your letter of 4 July and congratulations on London's magnificent Olympic victory. What a great tragedy it was overshadowed by such terrible events the following day. Your words from Singapore about such events truly said it all.

We acknowledge the assurances made in your letter and hope that in order to make this Olympics one for regeneration and employment that the issue of the relocation of the businesses is dealt with now fairly and speedily.

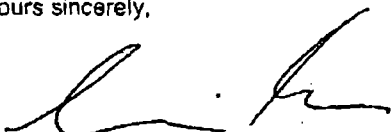
It is a pity that having spent 18 months in discussions with the LDA that the businesses are not now in a position to advance along the route of conditional agreements which ought to have been put in place so that they would know where they are now going, because such agreements were never concluded and unfortunately much of this valuable preparation time was squandered. This is why the matter of the relocations has now become an urgent requirement for all concerned. I suspect that to the extent that relocation decent land has not yet been purchased, it is going to cost significantly more and so the affordability gap will be even greater for the businesses.

In our own case we have identified two sites; one on which we had signed a heads of terms with the LDA last October and were ready to sign an Agreement post that date but which the LDA withheld from doing. The site is still available, albeit at a higher cost now. The other is a site very close to our existing site, which we identified more recently, and which is owned by Tower Hamlets. We understand they were planning to build residential housing on this site, although we are told that the LDA are now pressing them to free up the site for the relocation of our business and another business. We have been informed that we need to vacate our current site within two years. On recent past experience, given the length of time it takes to build and fit-out a complex factory like ours we have a matter of weeks in which to secure a suitable site for ourselves so that we can take our 100 year old business forward and so I am sure you can appreciate the urgency of our situation.

For us London's Olympic success is a bittersweet result. We recently spent two years investing in and building a state-of-the-art factory in Marshgate Lane following a terrible flood at our previous factory when the River Lea overflowed in October 2000. After only one year of moving in we were told that we might need to move out. I have wasted over 1200 hours working with the LDA in the last year, trying to find a solution to our problem but no agreement was ever concluded as, we understand, the LDA did not ever believe London would win and now, assuming we find a site to go to, we are going to have to spend another two years building yet another factory rather than pushing our business forward.

Now that London has won, I hope that the Olympics will prove to be a positive experience for ALL Londoners and Brits and that the regeneration will commence with the protection of existing businesses and jobs. Perhaps you would be interested to meet soon with the businesses to allay any fears and concerns.

Yours sincerely,



Lance Forman, Managing Director H.Forman & Son
For and on behalf of Marshgate Lane Business Group

Mayor's Office

City Hall
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Lance Forman
[REDACTED]

Our ref: MGLA160905-9775

Date:

- 9 NOV 2005

Dear Mr Forman

I am responding to your emails dated 15 August 2005 and 16 September 2005.

I know that you and a number of other businesses have subsequently had a constructive meeting with Manny Lewis, Chief Executive of the London Development Agency, where you were able to discuss some of the issues concerning you and that you will also be meeting [REDACTED] shortly.

I have personally written to you on several occasions giving a clear commitment that all businesses affected by relocation will be treated fairly. I remain committed to that and hope that your negotiations will lead to a satisfactory outcome.

Yours sincerely



Ken Livingstone
Mayor of London

Date Received 16 Sep 2005

Date Created 16 Sep 2005

Letter Title Businesses effected by Olympics

Email To

Recipients mayor@london.gov.uk

Dear Mayor Livingstone,

Throughout the last two years, since London's Olympic Bid was announced, I have worked tirelessly to find a solution to relocate our 100 year old world-class family business. I have faced an uphill struggle with officials at the London Development Agency (LDA) who have delayed making decisions, and even reneged on a deal which we signed with them last October, which would have secured the future for our business and over 50 employees.

Many of the other 300 businesses in the Olympic Park, employing some 11,000 people, have come across similar problems with the LDA. We all feel that rather than share in the opportunity which you claim the Olympics will bring all Londoners, we are instead on death row, desperate to save our businesses from being wiped out.

So yesterday, at the AGM of the LDA, when I stood up and asked the Chairman a serious question about the divergence in cost between what the LDA has been offering businesses for their sites and the actual cost of relocating to like-for-like sites, I was, as I'm sure were the other businesses represented, extremely insulted that you saw this as an opportunity to intervene and make a joke about my question. Of all people, a man in your position of power and leadership should have shown restraint and more sensitivity. How inappropriate?

I have called for a meeting with you on behalf of the businesses on numerous occasions, yet you have rejected every such request. You have decided to sacrifice our businesses for the sake of the Games. At least allow us the courtesy of telling us face to face how you came to this decision.

Yours sincerely,

Lance Forman

Managing Director H.Forman & Son (Est. 1905)For & On behalf of the

Date Received 15 Aug 2005
Date Created 16 Aug 2005
Letter Title Olympic Business Relocations
Email To
Recipients mayor@london.gov.uk

Dear Mayor Livingstone,

You wrote to me on 4 July 2005 stating that "no business will be financially worse off as a result of the relocation process" and I am seeking clarification from you on this commitment.

Under the Compensation Code, the acquiring authority purchases land in a 'no scheme world' ie. assuming in this case that the Olympics were not happening. However, those being relocated have to purchase land in a world in which prices may have inflated as a result of the Olympics, thus creating an affordability gap. Presumably you would agree that if this gap is not plugged, then businesses will be financially worse off. Please confirm.

Furthermore, the Compulsory Purchase code makes an presumption that if a relocated landowner is forced to purchase a property that costs more than the one he is being forced to sell, perhaps as a result of the above-mentioned affordability gap, or due to there being a scarcity in the market for like-for-like sites, then he should not be compensated for the price difference because he will end up owning a more expensive asset and therefore receive value in this way.

This assumption is a serious failure of the Compensation Code which does indeed make businesses financially worse off. If a business has to borrow funds to bridge the price gap, then the effect on the business' balance sheet is neutral because the extra cost of the asset is offset by the loan. However, the business will lose out as it is suffering interest charges on the loan in its profit and loss account for an asset that provides no extra value to the operating business.

If you are serious about your commitment to prevent businesses being financially worse off, you would agree that such interest charges be fully compensated for by the LDA. With the clarity of such a commitment you could solve the relocation problem for many of the owner occupier businesses that need relocating in a way which is fair and does not cause them loss. Please can you confirm that this is an acceptable solution which you will support.