

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DMDFD6

Title: Former Mitcham Fire Station

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Information Governance team for advice.

This information is not for publication until the stated date, because:

Although a preferred bidder has been chosen, the transaction has not yet concluded. Revealing details of other bids received through a competitive bidding process at this time would significantly impede the London Fire Commissioner's ability to secure value for money.

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed:

1 July 2019

Information Governance recommendation on the grounds of keeping the information confidential:

This information is exempt from the FOI Act under section 43 – commercial interest. Publishing bid details before a procurement exercise is concluded would impede efforts to secure value for money, especially were the current best effort to fall through. Withholding this information is in the public interest; however, the position will need to be kept under review and looked at again should a freedom of information request be received.

Senior Governance Manager - I make the above recommendations that this information should be considered confidential at this time

Name: Tim Somerville

Date: 5 July 2018

Confidential decision and/or advice:

Please refer to attached Appendix 1, which is the confidential appendix to the report to the London Fire Commissioner dated 20 June 2018 (LFC-0035) (Appendix A of Part 1 of this form).

The bids received for Mitcham have come from six residential developers and three church/local community groups. Nine offers were received for the property. Parkside a residential developer who initially offered £855,00 but subsequently reduced this offer to £670,000, their offer is unconditional. The next highest bid came from Triumphant Global trust at £600,000 and then the Pillar of Truth Chapel at £599,958; both are churches acquiring for owner occupation.

Officers are currently proceeding in preparing the detailed heads of terms and legal documentation for the transaction with the highest advantageous offer – Parkside. In the event of any unacceptable delays or attempts to renegotiate the commercial terms of the transaction by the highest bidder, then the transaction will be aborted and an alternative disposal with one of the other interested parties will be progressed (in order, if necessary).

The process described above is fully in compliance with the Commissioner's statutory duty (under the Local Government Act) to achieve the best consideration which is reasonably obtainable on all property transactions.

Report title

Former Mitcham Fire Station

Report to	Date
London Fire Commissioner Board	20 June 2018
Report by	Report number
Assistant Director, Technical and Commercial	LFC-0035 Appendix 1

OFFICIAL-SENSITIVE: COMMERCIAL

This appendix provides commercially sensitive information referred to in the former Mitcham Fire Station report LFC-0035. All other information is contained in the main report.

The bids received have come from six residential developers and three church/local community groups. Nine offers were received for the property. Parkside is a residential developer who initially offered £855,000 but subsequently reduced this offer to £670,000; their offer is unconditional. The next highest bid came from Triumphant Global trust at £600,000 and then the Pillar of Truth Chapel at £599,958 – both are churches acquiring for owner occupation.

Table 1 – submitted offers for the disposal of the former Mitcham Fire Station.

Purchaser / Agent	Price	Deposit	Clawback / Overage Provisions	Funding Information / Approval	Timescales
Parkside Property Limited	£670,000	10%	Not offered	Purchase available in cash	Exchange within 28 days
Triumphant Global Trust	£600,000	Not specified	Not offered	Approved loan	Not specified
Pillar of Truth Chapel	£599,958	Not specified	Not offered	Preliminary mortgage lending offer	Exchange within 28 days
Margro Properties Limited	£500,000	Not specified	Forward sale clawback of 40% of any uplift if sold prior to planning.	Funding available	Not specified
Landhold	£485,500	10%	Not offered	Not specified	Exchange within 28 working days and completion 28 working days thereafter

Greencourt	£435,000	10%	Not offered	Funds available.	Exchange within 28 days. Completion 3 months from exchange.
Voza Developments One Limited	£435,000	10%	7.5% of profit share as an overage based on base case of 6 units equating to £30,075.	Carried out through equity. Board approvals in place.	Exchange May 2018. Completion November 2018.
Landlease	£425,000	Not specified	Not specified	Not specified	Not specified
Ichthus Christian Fellowship	£300,000	10%	Not offered	Expect funds to be fully available.	Exchange within 28 working days

Officers recommended that approval is granted to progress the agreed transaction through to contract completion. In the event of any unacceptable delays or attempts to renegotiate the commercial terms of the transaction by the highest bidders, then the transaction will be aborted and an alternative disposal with one of the other interested parties will be progressed.

It is worth noting by way of background to this transaction, that prior to progressing with the disposal informal discussions were held with officers at City Hall to ascertain how it might contribute to the Mayor's affordable housing priorities. It was agreed that the site was too small to be of interest. LFEPA members were then informed of the intention to proceed with its disposal by way of a confidential briefing note in October 2017.

Finance comments

The capital receipt of £670k will be used to fund the capital programme in future years and reduce the future borrowing requirement.