

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2075

Title: Regatta Centre Review

Executive Summary:

The Regatta Centre (run by the Royal Albert Docks Trust) provides community focused watersports activities on the Royal Dock water. The Trust holds a long leasehold of the centre and GLA Land & Property are freeholders. This paper requests budget to seek external valuation & legal support in regularising the relationship with the Trust, jointly agreeing levels and split of compensation payable for the land required by Crossrail and establishing a mechanism that could release value from the existing site to help secure the financial stability of the Trust for the future.

Decision:

That the Assistant Director of Housing & Land approves:

1. A budget of £30,000 to commission valuation and legal support as set out in this paper.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

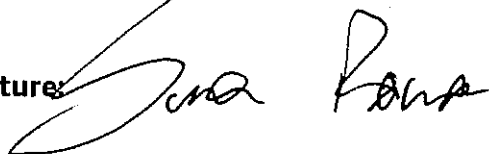
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Simon Powell

Position: Assistant Director of Housing & Land (SPP)

Signature:



Date:

20/08/17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

The Regatta Centre is a sporting facility dedicated to the provision of rowing and water based activities. It is located adjacent to the Royal Albert Dock, to the south of the new hotel developments. See Plan 1 attached.

It is let under a 200 year lease dated 12 October 2000 to the Royal Albert Dock Trust (RADT) the tenants. GLA Land & Property is now the freeholder and landlord.

The RADT is a charitable organisation set up to provide water based activities to those who for social or economic reasons would not be able to access such activities.

Historically the Royal Albert Dock Trust has suffered from lack of funds leading to challenging management issues and potential breaches of lease conditions. However more recently new interim management has been appointed to place the organisation on a firmer foundation and this paper proposes a process that should assist this transition. In order to increase its appeal and service provision the RADT recently completed an extension to their facilities, which will allow the Marine Society and Sea Cadets to co-locate.

There are three key drivers that mean that this project needs immediate attention:

- Firstly, Crossrail require freehold land for a pumping station that falls within the leasehold interest of both RADT and the Royal Docks Management Authority (RODMA). To facilitate this transaction both RADT & RODMA will need to agree to surrender part of their leases back to GLAP, prior to the freehold being transferred on to Crossrail. This includes an additional area of GLAP freehold land. Negotiations on compensation for these transactions have commenced, however the split of any value has yet to be established or agreed and will rely upon analysis of the lease and agreement between parties.
- Secondly, as part of their extension works RADT require funds to complete the fit out of a new gym. They have agreed terms with a provider, but until the works are completed the lease cannot be completed. It is anticipated that the funds generated by the disposal to Crossrail will cover the cost of these works and increase the income generated to support the operation of the Trust.
- Thirdly, RADT is looking to ensure that it has sufficient income to meet its current obligations and expand its offer to a wider audience. To achieve this, the GLA has been in discussions to consider the potential of developing part of the site that is currently underutilised as a car park. This would rely upon agreement over the use, disposal process and split of proceeds. Again, this requires third party valuation expertise.

This paper seeks approval for funding for both valuation and legal fees associated with progressing discussions with RADT, Crossrail & RODMA in order to:

- Establish and agree level of Crossrail compensation.
- Establish an appropriate split in values for the Crossrail compensation between the Royal Docks Management Authority, GLA Land and Property & the Royal Albert Docks Trust.
- Establish a mechanism that would allow the redevelopment of the Royal Albert Docks Trust car park land, including any split in value generated.
- Regularise landlord & tenant relationships between GLA Land and Property & the Royal Albert Docks Trust.

External Support

To support this process GLAP will require professional support and advice from both an external valuer and an external legal representative. They will advise on the above matters and provide appropriate reports supporting the recommendations to be made. Due to the relative complexity of this process it is anticipated that these costs will be in the region of £30,000, made up of both valuation and legal fees (on an estimated split of £20,000 valuation & £10,000 legal). Some costs directly attributable to Crossrail will be reimbursed by Crossrail.

Next steps

It is proposed that once budget is approved then a valuer and external law firm will be appointed to assist with the tasks set out above. Once agreement in principle on these matters is reached then these will be brought back for approval at whatever the appropriate level for the decisions required.

2. Objectives and expected outcomes

The objective of this work is to regularise landlord and tenant relationships between GLAP & RADT, to agree appropriate compensation for the Crossrail sale and to establish a mechanism that will release and share value for GLAP & RADT on the redevelopment of the car park site.

This should help support RADT's future, improve the local area and its long term stewardship and facilitate Crossrail.

3. Equality comments

This approval required in this paper will not have any unequal impact on any protected equality groups.

4. Other considerations

None.

5. Financial comments

- 5.1 This decision requests approval to spend £30,000 seeking valuation & legal support to progress discussions with Royal Albert Docks Trust (RADT), Crossrail & Royal Docks Management Authority (RODMA), as well as other issues listed in detail in the Executive Summary section above.
- 5.2 These funds are earmarked from the Land and Property's Regatta Centre budget within Housing & Land department and will be expended in 2017/18 financial year.

6. Legal Comments

N/A

7. Planned delivery approach and next steps

Set out how the project will be delivered and complete the outline timetable

Activity	Timeline
Appoint external Valuer & Legal support	March 2017
Valuer & Legal support to provide reports to the GLA	May 2017
Approval papers for recommendations drafted and submitted	June 2017

Appendices and supporting papers:

1. RADT Leasehold Site Plan
2. Location Plan

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? YES

If YES, for what reason:

To ensure sums allocated for valuation & legal work are not available for those quoting for the work.

Until what date: 01/06/17

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:

Michael Payton has drafted this report in accordance with GLA procedures and confirms that the Finance and –if relevant- Legal teams have commented on this proposal as required, and this decision reflects their comments.

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 13 March 2017.

HEAD OF FINANCE AND GOVERNANCE:

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

Signature:



Date:

13.03.17

