

# GREATER LONDON AUTHORITY

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD324

### Title: Hale Village Lease Agreements

#### Executive Summary:

In 2009 the Homes and Communities Agency (HCA) invested in Lee Valley Estates (LVE) Hale Village development at Tottenham Hale. These arrangements were transferred to the GLA Land and Property Limited (GLAP) in 2012 following the devolution of the HCA in London and as provided under the Localism Act. As part of the security for the investment, the GLA holds a charge over the development until the terms of the agreement are fulfilled. LVE are seeking the GLA's consent for a number of amendments to the existing lease arrangements. This report seeks consent to the GLA providing confirmation that it agrees to the proposed changes as specified below.

#### Decision:

The Assistant Director approves;

- For LVE to grant a lease to Premier Inn Hotels Ltd to use 40 parking spaces within the development for a period of 20 years;
- For LVE to grant a lease to Southern Electric Power Distribution PLC for the provision of an electricity sub-station and associated cable easements; and
- For LVE to amend the site boundary of an existing agreed lease to Bellway Homes to take in minor areas of adjacent land.

#### 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:** Fiona Duncan

**Position:** Head of Area North East

**Signature:** 

**Date:** 22 June 2015

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

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

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

- 1.1. In 2009 the Homes and Communities Agency (HCA) invested in Lee Valley Estates (LVE) Hale Village development at Tottenham Hale. These arrangements were transferred to GLA Land and Property Limited (GLAP) in 2012 following the devolution of the HCA in London and as provided for under the Localism Act. This agreement is described as the “Hale Village Investment Agreement and Deed of Variation” (Investment Agreement) and is made up of two investment streams within the development, firstly a loan to LVE to finance elements of the development, and secondly an investment stake in the development itself.
- 1.2. Currently, the GLA is in discussions with Lee Valley Estates to conclude the GLA’s involvement in the investments. Once final terms of the settlement due to the GLA are agreed, a separate Mayoral Decision will be sought to confirm acceptance of the settlement.
- 1.3. In the meantime, as part of the security for its investment the GLA holds a floating and fixed charge over the development and its assets until the terms of the settlement are agreed and repaid. Until then LVE are required to seek the GLA’s consent for amendments to the existing lease arrangements. There have been prior requests for amendments, which have been agreed through side letters.
- 1.4. This report seeks agreement to consent to the following amendments to the leases;
  - To consent for LVE to grant a lease to Premier Inn Hotels Ltd to use 40 parking spaces within the development for a period of 20 years. This lease covers a number of unused parking spaces underground within the development which form part of the original consent, and will allow both raising of funds for LVE to repay the Investment Agreement and will enable the delivery of a consented hotel scheme in the heart of the Tottenham Housing Zone which will continue the development and transformation of the area.
  - To consent for LVE to grant a lease to SSE for the provision of an electricity sub-station and associated cable easements. This lease will allow LVE to consent to the development of a required sub-station to power the existing development phases.
  - To amend the site boundary of an existing agreed lease to Bellway Homes to take in minor areas of adjacent land. These amendments reflect variations in the building footprints after grant of planning consent to ensure the lease granted to Bellway is in conformity to the buildings delivered on site.
- 1.5. Under the Investment Agreement the GLA would receive no receipt for the above consents. However the consents are required for the continued delivery and operation of the development, particularly the lease to Premier Inn Hotels, which forms part of a package of measures to raise funding by LVE so they are able to fulfil the repayment requirements of the Investment Agreement. The amendments to the Bellway Homes lease site boundary will allow Bellway Homes to complete 70 sales on the development site.

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

- 2.1. The granting of these consents will allow the delivery of the current phases of the Hale Village development and to regularise the outstanding issues with Bellway Homes lease consent.

- 2.2. Ultimately the granting of these consents in a timely manner will allow LVE to raise the necessary capital to discharge the Investment Agreement and pay back the original sums plus interest to the GLA.

### **3. Equality comments**

- 3.1. In January 2014, as part of the Mayors London Housing Strategy, the GLA published an Integrated Impact Assessment (IIA) for the Further Alterations to the London Plan.
- 3.2. The IIA concluded that updating housing projections and targets would support the delivery of sufficient housing and may help stabilise housing prices, supporting equal opportunities throughout communities. Furthermore, the provision of housing, including maximising the delivery of affordable housing would be in line with other policies of the Plan (e.g. Policy 3.5), ensuring that the needs of different groups are taken into account in the housing design.
- 3.3. The delivery of new and additional homes within the Hale Village scheme will help to implement Objectives 1, 2, 3 and 4 of the Mayors Equalities Framework “Equal Life Chances for All” (June 2014) through the creation of new homes, housing products and well-designed housing schemes.

### **4. Other considerations**

#### **Mayoral Strategies**

- 4.1. The delivery of the Hale Village scheme will help to implement the Mayors London Housing Strategy, the aims of the London Plan and the Mayors Equalities Framework “Equal Life Chances for All” through the delivery of new high quality and affordable housing in London.

#### **Key Risks**

- 4.2. The failure to grant these lease consents would result in significant financial and delivery impacts within the scheme, most notably impacting the raising of funds within LVE for the resolution of the outstanding Investment Agreement, the inability to complete sales on completed housing units for Bellway Homes and the inability to provide sufficient power supply to areas of the development scheme. These would harm not just current phases of development, but future investment and development within the area. These risks would be addressed by granting these consents.

### **5. Financial comments**

- 5.1. Consenting to these amendments to the existing lease agreement will have no financial impact for GLAP, as GLAP would receive no additional receipt and is not meeting any costs of completing the amendments.

### **6. Legal comments**

- 6.1. Section 30 of the Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything which he considers will further one or more of the principal purposes of the GLA as set out in section 30(2) which are:
  - i. Promoting economic development and wealth creation in Greater London;
  - ii. Promoting social development in Greater London; and
  - iii. Promoting the improvement of the environment in Greater London

and, in formulating the proposals in respect of which a decision is sought, officers confirm they have complied with the GLA's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people;
- consider how the proposals will promote the improvement of health of persons in Greater London, promote the reduction of health inequalities between persons living in Greater London, contribute towards the achievement of sustainable development in the United Kingdom and contribute towards the mitigation of or adaptation to climate change in the United Kingdom; and
- consult with appropriate bodies.

6.2 Sections 1 - 3 of this report indicate that the decision requested of the Director falls within the GLA's statutory powers.

## 6. Planned delivery approach and next steps

Activity	Timeline
Agreeing to issue consents	June 2015
Issuing consents	June 2015

**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 – YES**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer:**

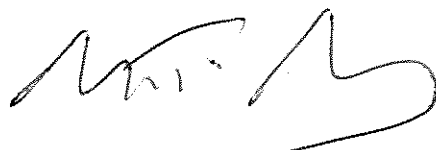
Neil Hook has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

**HEAD OF GOVERNANCE AND RESILIENCE:**

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

**Signature:**



**Date:**

22.06.15

