

PART 2 – CONFIDENTIAL FACTS AND ADVICE

MD1290

Title: Disposal of Land at 5 Limeharbour

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This information is not for publication until the stated date, because:

It contains commercially sensitive information the disclosure of which might prejudice the commercial and business interests of GLA Land and Property Limited. The information is therefore covered by section 43(2) (commercial interests) of the Freedom of Information Act.

Information will cease to be confidential or the confidentiality should be reviewed: 31 January 2014

Legal recommendation on the grounds of keeping the information confidential:

The information in this Part 2 includes commercially sensitive information which relates to GLAP's commercial and business interests. The disclosure of this information could prejudice those interests. For this reason it is considered that the information is exempt from publication in reliance on the exclusion contained in section 43(2) (commercial interests) of the Freedom of Information Act 2000, and because the public interest in withholding the information outweighs the public interest in releasing it.

Legal Adviser - I make the above recommendations that this information should be considered confidential at this time

Name: Robert Hill

Date: 19 November 2013

Once this form is fully authorised, it should be circulated with Part 1.

Confidential decision and/or advice:

- 1.1 Disposing of the asset to Telford Homes PLC will generate a receipt in excess of the current independent land valuation of £15,000 as provided by Jones Lang LaSalle in the portfolio asset valuation at the end of 2012-13. The valuation was on the basis that the GLA will receive a peppercorn rent for the remainder of the lease term, being 173 years.
- 1.2 There is very little value attributed to the freehold interest as the land use restriction fetters the site to any other purchaser so a nominal value was recorded to reflect what a speculative investor may pay to secure a share of any future development potential of the property.

- 1.3 Telford Homes Plc is offering the GLA £500,000 for the site in recognition of its proposed development on neighbouring land at 7 Limeharbour and the need to gain control of the only access road (from the public highway) which services 7 Limeharbour but falls within the freehold title boundary of 5 Limeharbour.

Finance Comments

- 1.4 The asset is held as a non-current asset. It is likely that a capital gain of around £485k will be realised, which cannot be offset against brought forward losses. Therefore, unless a loss is incurred in the current year against which this can be offset, corporation tax is likely to be payable on the gain.
- 1.5 Although the valuation of the asset at 31 March 2013 is for title only (recognising that a 173-year lease at peppercorn rent exists), a further valuation is not considered necessary to establish Best Consideration as a competitive tender took place and the highest offer is recommended for acceptance.