

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD1290

**Title:** Disposal of Land at 5 Limeharbour

### Executive Summary:

Request for approval to dispose of the freehold interest in 5 Limeharbour in London Borough of Tower Hamlets (LBTH) The site is 0.4 hectares and contains a freestanding 5 storey office block of brick and steel construction, with a basement car park. The site is a non-strategic asset which transferred to GLA Land and Property Ltd (GLAP) in April 2012 under the Localism Act 2011.

Following a competitive open market tender exercise approval is sought to dispose of the site to Telford Homes Plc for an agreed sum. GLAP received an asset valuation at the end of 2012/13 that established the site value and an updated franking valuation that confirms that the price offered is acceptable. The sale will comprise an unconditional transfer of GLAP's freehold interest and will be completed through the use of a contract and a standard form transfer document as agreed with the purchaser.

### Decision:

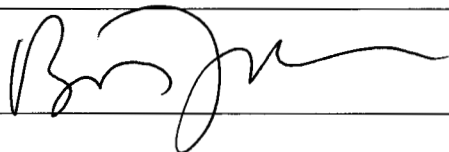
That the Mayor authorises the disposal of GLAP's freehold interest in 5 Limeharbour to Telford Homes Plc for the agreed price.

### Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

**Signature:**



**Date:** 17.12.13

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

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

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

- 1.1 The site is located in London Borough of Tower Hamlets on the east side of Limeharbour and is close to Crossharbour DLR station to the south and Marsh Wall to the north. GLAP has a freehold interest in the site which is subject to a ground lease of 200 years commencing 25 March 1986 at a peppercorn rent. There are no regular estate management fees associated with the site and it is not a strategic asset.
- 1.2 In the London Borough of Tower Hamlets' recently adopted Managing Development Document (MDD) 5 Limeharbour forms part of the Marsh Wall East Area. The Marsh Wall East Area is designated as appropriate for high density mixed use development providing strategic housing, a district heating facility (where possible) and commercial floor space for small to medium enterprises.
- 1.3 Disposing of the asset to the highest bidder, Telford Homes Plc, will generate a receipt in excess of the current asset valuation reported at the end of 2012/13. The disposal will help to rationalise GLAP's assets and reduce exposure to costs as the land owner.

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

- 2.1 That the income generated from the sale of this non-strategic asset is recycled to fund other projects that are able to make more of a strategic contribution to key Mayoral Objectives.

#### **3. Other considerations**

##### **a) Links to strategies and Mayoral and corporate priorities**

The site is located within the Isle of Dogs Opportunity Area as defined by the London Plan. The disposal to Telford Homes Plc will assist in the delivery of the Mayor's objectives through supporting the following Strategic Policy Direction (OA ref 14):

*Parts of the Area have significant potential to accommodate new homes and there is scope to convert surplus business capacity south of Canary Wharf to housing and support a wider mix of services for residents, workers and visitors.*

##### **b) Risk**

If the disposal is not approved GLA will retain land owner liability for a non-strategic asset and relinquish the opportunity to take a receipt which is in excess of the current asset valuation.

#### **4. Financial comments**

- 4.1 The asset known as 5 Limeharbour was last valued as at 31 March 2013. Disposal costs of up to £10,000 will be met from the existing capital budgets. As a competitive tender took place this is being used to establish that Best Consideration thresholds have been met.

#### **5. Legal comments**

- 5.1 Section 30 of the Greater London 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) of the GLA Act which are (1) promoting economic development and

wealth creation in Greater London; (2) promoting social development in Greater London; and (3) promoting the improvement of the environment in Greater London.

- 5.2 Sections 1, 2 and 3 of this report indicate that the decision requested of the Mayor falls within the GLA's statutory powers as described in section 5.1 above.
- 5.3 The Mayor may, under section 38 of the GLA Act, delegate the exercise of the GLA's functions to the Directors of GLAP as proposed.
- 5.4 It should be noted that as GLAP will be a party to all necessary legal documentation, GLAP will also need to approve the proposed transactions in accordance with its constitution.

## **6. Investment & Performance Board**

- 6.1 The Housing Investment Group endorsed the approach to dispose of the land on the 20 November 2013.

## **7. Planned delivery approach and next steps**

- 7.1 Further to Mayoral approval the next steps are as follows:

<b>Activity</b>	<b>Timeline</b>
Finalise Terms of Sale Agreement	29 November 2013
Exchange and Completion of Sale Agreement	31 December 2013
Payment of Land Receipt to GLAP and project closure	3 January 2014

### **Appendices and supporting papers:**

Appendix 1 – Site 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? No**

**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:**

Rickardo Hyatt has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

**Assistant Director/Head of Service:**

Fiona Duncan has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

**Sponsoring Director:**

David Lunts has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

Richard Blakeway has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

*M. J. Allen*

Date

12.12.13

**CHIEF OF STAFF:**

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

*Edmund ...*

Date

12.12.13