

MAYOR OF LONDON

James Cleverly AM
Chairman of LFEPA
City Hall

Our ref:

Date: 26 March 2014

Dear James

8 Albert Embankment: possible Mayoral direction

The Mayor is minded to direct the London Fire & Emergency Planning Authority (LFEPA) to market test the disposal of its former headquarters building at 8 Albert Embankment through the London Development Panel (LDP). The reasons for doing this would be:

- There would be no cost or obligation to LFEPA arising from market testing through the LDP;
- The Mayor's budget guidance sets out a reasonable expectation that GLA Group housing developments of this size are market tested through the LDP;
- Market testing through the LDP would assist LFEPA in demonstrating that it is achieving best consideration in its disposal of the site;
- The Mayor procured the LDP so as to speed up the release of public sector land and so it could well be the most advantageous option open to LFEPA in terms of timing; and
- The initial response LFEPA would obtain from the LDP would be useful in assessing the disposal options available to it.

I am aware that LFEPA is meeting in plenary session tomorrow and so its Members might well be available at short notice to hold an Urgency Committee meeting in the immediate aftermath of that plenary meeting to discuss this proposal. I look forward to hearing back from you with LFEPA's views at the earliest available opportunity and by the end of this week if at all possible.

Yours sincerely



Sir Edward Lister
Chief of Staff and Deputy Mayor for Policy & Planning





**LONDON FIRE
AND EMERGENCY
PLANNING AUTHORITY**

James Cleverly AM
Chairman of the Authority

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Sir Edward Lister
Chief of Staff and Deputy Mayor for Policy & Planning
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Date: 28 March 2014

Dear Sir Edward

The London Fire and Emergency Planning Authority's Appointments and Urgency Committee met on 27 March 2014. At this meeting, your correspondence to me dated 26 March 2014 in respect of the disposal of 8 Albert Embankment was considered.

A new proposal for the Authority to use the London Development Panel as the initial stage in the disposal process for this site was considered at the meeting but did not receive the support of the majority of Members.

Therefore, at the conclusion of the meeting, I was asked to convey the clear view of the majority of the Committee that your intervention in this matter, made on behalf of the Mayor, was both discourteous to the Members concerned and unwise.

This view is held by Members on the grounds that this Authority, following detailed and lengthy consideration which has included relying on expert professional advice, recently took a formal decision (at its Resources Committee meeting on 17 March) that it considers to be both reasonable and in accordance with the statutory duty upon it to achieve best consideration in the sale of its assets.

The Authority considers that you had ample opportunity to fully engage with its Members and officers before now in order to seek a mutually acceptable solution.

As such, the Authority requests that you reconsider your approach by dropping the threat of proposed Direction and proceed to work with it in a more constructive fashion on this issue from now on.

Yours

A handwritten signature in black ink, appearing to be 'James Cleverly'.

James Cleverly AM
Chairman, London Fire and Emergency Planning Authority



MAYOR OF LONDON

James Cleverly AM
Chairman of LFEPA
City Hall

Our ref:

Date: 3 April 2014

Dear James

8 Albert Embankment: possible Mayoral direction

Thank you for your letter of 28 March. I have considered its contents carefully.

I can assure Members of the London Fire and Emergency Planning Authority (LFEPA) that no discourtesy was intended in my letter to you of 26 March. Similarly, I can assure Members that the possibility of the Mayor exercising his power of direction should not be regarded as a threat. I am keen to hear LFEPA Members' views as to the best course of action to take which is why I am writing a second letter on this topic asking for further input.

The London Assembly and others have been right to press the Mayor on progress with his shared services and collaborative procurement initiative. Communication with LFEPA on issues such as the disposal of 8 Albert Embankment should be seen in the context of joining up policies and programmes across the GLA Group of public bodies as efficiently and effectively as possible rather than in any negative light.

The Mayor raises the Greater London Authority (GLA) council tax precept and is rightly held accountable for the decisions he takes as to the level at which it should be levied year-by-year. LFEPA makes the second biggest call on the precept, a call which amounts to £138m in the current financial year.

The Mayor's budget guidance for 2014-15 sets out certain expectations as to how the GLA and its functional bodies should seek to meet his policy objectives and to obtain value for money across all their functions. In the supplementary budget guidance, issued in September 2013, the Mayor included the following requirement:

Functional bodies will need to seek the prior agreement of the Single Property Steering Group for them not to use the London Development Panel for all major land, property and development procurements where the scale is likely to involve a planning application that may be referable to the Mayor.

Given that any development of 8 Albert Embankment will be of a scale that is referable to the Mayor, it is caught by this requirement and indeed has been discussed in these terms by the Single Property Steering Group (leading GLA officers to follow up on disposal plans with their counterparts in LFEPA).

You will appreciate the Mayor is understandably concerned that his budget guidance and relevant GLA Group governance is followed, which was the basis of his considering issuing a direction to LFEPA and to give effect to LFEPA conducting soft market testing through the London Development Panel (LDP) for 8 Albert Embankment.

The Mayor currently remains of the view that LFEPA utilising the LDP to soft market test the disposal of 8 Albert Embankment would bring with it the following benefits:

- There would be no cost or obligation to LFEPA arising from soft market testing through the LDP;
- Soft market testing through the LDP would assist LFEPA in demonstrating that it is achieving best consideration in its disposal of the site;
- The Mayor procured the LDP so as to speed up the release of public sector land and so it could well be the most advantageous option open to LFEPA in terms of timing; and
- The initial response LFEPA would obtain from the LDP would be useful in assessing the disposal options available to it.

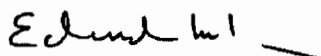
It is the Mayor's view that this approach could well bring savings to the GLA Group, both in terms of time and cost. Notwithstanding this, and in order to ensure that any decision the Mayor may take to direct LFEPA on this matter is made on a fully informed basis, the Mayor would be grateful to receive any further representations and any additional relevant information which LFEPA consider should be taken into account. Specifically, the Mayor requests the following:

- A copy of the advice LFEPA has received from Dron & Wright, on which it relies heavily in support of its conclusion that soft market testing through the LDP would not be appropriate;
- Information about the "numerous expressions of interest from a variety of funders and developers" (referred to at paragraph 6 of report FEP 2243 to the Appointments and Urgency Committee of 27 March 2014); and
- The Part 2 report considered by LFEPA's Resources Committee on 17 March 2014 (FEP 2238X).

I attach a draft direction to help inform LFEPA Members' consideration of this matter.

Please provide me with LFEPA's response to this letter by Tuesday 29 April. This deadline allows LFEPA three clear working weeks to respond and I trust that that will prove to be sufficient.

Yours sincerely



Sir Edward Lister
Chief of Staff and Deputy Mayor for Policy & Planning



LONDON FIRE BRIGADE

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London Fire Brigade is run by the London
Fire and Emergency Planning Authority

Date 24 April 2014

Dear Sir Edward,

Thank you for your letter of 3 April 2014 in which you explained that you were keen to hear LFEPA Members' views on the best course of action to take, with particular reference to the Mayor's view that the London Development Panel (LDP) should be used for the soft market testing of the sale and redevelopment of the 8 Albert Embankment site.

Your letter was presented to a meeting of the Authority's Appointments and Urgency Committee on 10 April. A majority of Members at the Committee was strongly of the view that the Mayor should reconsider the possible issuing of a direction.

The Committee noted that the Authority had received consistent professional advice to the effect that the quickest and surest way to be assured of achieving best consideration for the sale of 8 Albert Embankment was to proceed directly to the open market. The professional advice provided to the Authority was originally set out in the report (FEP 2238X) to the Resources Committee on 17 March. It was repeated in the report (FEP 2243) to the Appointments and Urgency Committee on 27 March, a copy of which was resubmitted to that Committee on 10 April. Copies of both reports are included in the attachments to this letter.

While the advice as set out in reports FEP 2238X and FEP 2243 recognised that use of the LDP for soft market testing (as a precursor to a disposal on the open market) would not prevent the Authority from achieving best consideration, it was made clear that soft market testing was most unlikely to remove the need for an open market disposal if best consideration, certified by a professional valuer, was to be obtained. Thus it was implicit in the advice that soft market testing would delay a disposal without producing any commensurate benefits to the Authority.

Although the Committee considered a proposal to proceed immediately to use the LDP for the sale of 8 Albert Embankment in order to expedite the sale, the majority of members on the Committee felt that such expedition could equally be achieved by an early decision of the Mayor to reconsider the possible issuing of a direction. The Committee therefore strongly urged the Mayor to reconsider the possible issuing of a direction.

Notwithstanding the above, the Committee was also of the view that it would not regard it as in the public interest to seek to mount a legal challenge to any direction properly decided upon by the Mayor in this case.

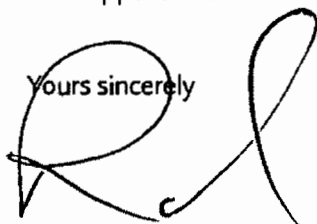
The Committee was informed that the current decision of the Resources Committee on 17 March to proceed directly to the disposal of 8 Albert Embankment was not being implemented by officers pending a decision on the use of the LDP.

As requested I attach:

- A summary of the advice which the Authority has received from Dron & Wright on the use of the LDP. This reflects correspondence received from Dron and Wright since December 2013. This correspondence is also available if you wish to see it;
- Information on the expressions of interest received to date;
- A copy of the report (FEP 2238X) considered by the Resources Committee on 17 March 2014.

I also attach the report (FEP 2244) which went to the Appointments and Urgency Committee on 10 April and a copy of the draft minute of that meeting. (The report FEP 2243 referred to in this letter is attached as an appendix to FEP 2244).

Yours sincerely

A handwritten signature in black ink, appearing to be 'Ron Dobson', written over the text 'Yours sincerely'.

Ron Dobson
London Fire Commissioner