

PART 2 – CONFIDENTIAL FACTS AND ADVICE

MD Number	MD1251
MD Title	Disposal, in part, of Beam Reach 8.C.

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This information is not for publication until the stated date because: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 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: January 2014

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

Legal recommendation on the grounds of keeping the information confidential

The information in Part 2 below contains information that relates to the GLA's commercial and business interests, the disclosure of which could prejudice those interests. For these reasons it is considered that the information below is exempt from publication in reliance upon the exclusions 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 Advisor - I make the above recommendations that this information should be considered confidential at this time

Name: Michele Avon

Date: 7 August 2013

Confidential Decision and/or Advice:

1. Net Consideration

H. Smith has offered a gross figure of £650,000 per acre for 1.36 acres. Therefore an overall gross purchase price of £884,000 is payable, exclusive of VAT. However, numerous fixed deductions for abnormal costs to cover utility service to/from the plot, piling foundations and raising/ levelling of ground level, will be made as detailed within Clause 2.4 of Part 1. Further deductions for the road apportionment and GLA fees will produce a net receipt as set out in the table below. Each party will bear their own fees related to the transaction, including legal and marketing fees. GLA legal fees will include sale transaction (£12,000), as well as S106 completion and a memorandum of Agreement concerning the road repayment (a budget of £10,000) has been included for these last two tasks).

Financials**2012 - 2013**

Description	Capital or Revenue? (C/R)	Fixed or Variable (F/V)	2013/2014 £000	2014/2015 £000	2015/2016 £000	Future years £000	Total £000	Confirmed/ Likely/Possible
Project Funding								
H Smith purchase	C		884				884	C
Total funding			884		0	0	884	
Project Costs								
Abnormals deduction	C		283				283	
Road apportionment	C		22.4				22.4	
GLA Legal fees			22				22	
GLA marketing			18.6				18.6	
Total costs			346		0	0	346	
Surplus/(Deficit)			538	0	0	0	538	

2. Road Apportionment

In addition to the land cost element of the road (£81,543) agreed at the time of sale and set out in the agreement, Easter have now stated that the estate road construction cost was £45,000. This has been checked by an internal project manager and sense-checked by an external quantity surveyor and is considered to be reasonable. A legal memorandum confirming this figure needs now to be entered into.

There are no immediate financial consequences for GLAP. However, as and when GLAP's retained land is developed, then payments will become due to Easter out of the sales proceeds. For example, should the above plot of 1.26 acres to be sold by GLAP, then a payment would arise as follows:-

Gross Repayment to Easter = £81,543 + £45,000 = £126,543

Apportioned repayment GLAP's retained land of 31,237 sqm = £4.05 sqm

1.36 acre plot = 0.55 hectares = 5,504 square metres

Plot Repayment to Easter = 5,504 sq m x £4.05 = £22,400