



Homes &
Communities
Agency

Our Reference:

BY EMAIL ONLY

19 February 2015

Dear

Request for Information

Thank you for your email dated 7 January 2015 requesting information the Hotel Viability Commissioners Quay and Blyth workspace. For ease of reference we have responded to each of your questions separately below:

- 1. What evidence have Arch provided in their quest to provide a hotel to the commissioners quay area to satisfy you / HCA that there is evidence of demand. Trust you can respond/ provide professional report to show how you allowed progress for delivery of this entity.**

We can confirm that Arch provided the Homes and Communities Agency (HCA) with a report from property advisors GVA RGA dated 25 April 2014. We have provided the report alongside this letter, however some information has been withheld as disclosure would affect the commercial interests of Arch which would not be in the public interest. This therefore this information engages Section 43(2) of the Freedom of Information Act 2000 (FOIA) which permits a public authority to withhold information where disclosure "would, or would be likely to, prejudice the commercial interests of any party".

The HCA determines that harm would arise from disclosure of this information as it would predominately compromise the commercial interests of a third party which would ultimately affect the interest of the HCA. Disclosure of the information would affect Arch's ability to negotiate effectively as these negotiations with their preferred operator are still in progress. This would impact on the overall required outcomes of the scheme which effects both Arch and the HCA.

Section 43 of FOIA requires a Public Interest Test to be carried in order to see where the weight of arguments lies in relation to disclosure of the information. The arguments both for and against disclosure are set out below.

Public Interest Test – Factors in favour of disclosure

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Disclosing the information requested promotes the accountability transparency of the HCA as well as providing increased information about the application of public funds. This in turn provides a basis for a more informed public debate about the value of money being obtained by the HCA.

Disclosure would also assist the public in understanding the HCA's position and gain an understanding as to why certain decisions have been made or actions considered. This again helps to assist the public in informed debate around the future of projects, sites and developments.

Public Interest Test – Factors in favour of non-disclosure

Disclosure of information we hold would severely undermine Arch's ability to negotiate competitively and achieve best value for money with their preferred operator. To release this would have a negative impact Arch's ability to deliver the overall scheme which would not be in the public interest as public money has already been invested in the scheme and the project would stall.

Further, as disclosure would have a negative impact on Arch this would ultimately affect the relationship between the HCA and Arch.

Should disclosure affect Arch's negotiations and ability to deliver, this could hinder the relationship between the HCA and Arch. This ultimately would not be the HCA's commercial interests as Arch may be the most suitable developer on future schemes/projects but may not wish to compete as a result of previous dealings with the HCA.

It is not in the public interest for the HGCA not to be able to work with developers who are able to provide best value for money and/or deliver the best scheme/project/housing which is the main objective of the HCA.

Taking all factors into consideration we have determined that the exemption is maintained and the information is withheld at this time as the public interest arguments are weighted more heavily to non-disclosure. We would, however, stress that the public interest is as ever changing concept and the arguments may change over time.

[Can you also confirm as to HCA position re Blyth Workspace]

2. Do HCA still own land this entity is built on?

We can confirm that the HCA own the freehold interest of the site.

3. Can copy of contractual terms be shared to ascertain as to what happens if it stands empty which by all accounts is looking highly likely?

We have provided to you with an extract from the projects Partnership Agreement (PA) between the HCA and Arch dated 30 January 2014 as well as Schedule 1 from the same document. The extract (below) and Schedule 1(attached) answers your request at number 3 above.

Extract from PA between HCA and Arch

15 Early Exit Strategy

In the event that there is a Market Failure or where there is early termination of the Lease then the parties shall agree the successor arrangements to the Lease and this Partnership Agreement in accordance with Schedule 1. For the avoidance of doubt upon completion of the disposal of the Project Area in accordance with Schedule 1 it is agreed that the lease will come to an end

4. Can you confirm/ get Arch to confirm as to how many units are let within this building?

Arch has confirmed to the HCA that there are currently 5 lettings (4 physical and 1 virtual).

If you have any questions regarding this response or any further queries you can contact us at the following addresses and quote your unique reference number found at the top of this letter:

Email: mail@homesandcommunities.co.uk

Mail: Information Access Officer
Homes and Communities Agency
Fry Building
2 Marsham Street
London
SW1P 4DF

If you are unhappy with the way Homes and Communities Agency has handled your request you may ask for an internal review. You should contact

Head of Legal Services
Homes and Communities Agency
Fry Building
2 Marsham Street
London
SW1P 4DF

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Yours sincerely

Naomi McMaster
Information Access Officer
Homes and Communities Agency