

<b>Committee(s)</b>	<b>Dated:</b>
Planning & Transportation – For Decision	25 October 2016
<b>Subject:</b> City Fund Surplus Highway – Fenchurch Street & Leadenhall Street	<b>Public</b>
<b>Report of:</b> City Surveyor (CS 340/16)	<b>For Decision</b>
<b>Report author:</b> James Murray, City Surveyor's	

### Summary

Approval is sought to declare an area totalling 24.243 sq m (261 sq ft) of City Fund highway land at Fenchurch Street and Leadenhall Street EC3 (above ground, and to be restricted by upper and lower datum levels) to be surplus to highway requirements, to allow its disposal and enable the development scheme which is being proposed by Vanquish Properties (managed by TH Real Estate).

The highway land is to be over-sailed by building structure and also projections for cleaning equipment in connection with the permitted office-led development scheme, to be known as 40 Leadenhall, for which planning permission was granted on 29 May 2014 (no. 13/01004/FULEIA) and comprises some 83,300 sq m (897,000 sq ft).

The City regularly grants suitable land interests to owners and developers whose permitted schemes encompass City owned highway, for the purpose of promoting long term development. In order to grant third party interests in City Fund highway land, the affected parts first need to be declared surplus to highway requirements.

It is not intended that the area of highway beneath either the structure or the cleaning equipment projections be stopped-up.

The terms for the highway disposal are to be separately reported for approval to the Property Investment Board subject to your approval to declare the affected area surplus to highway requirements.

### Recommendation(s)

Members are asked to:

1. Resolve to declare the airspace areas of City Fund highway land at Fenchurch Street and Leadenhall Street, EC3 with a combined total of 24.243 sq m (261 sq ft) as shown on the plan at Appendix 1 and described in Appendix 2 (Parcel nos. 7, 9, 10, 12, 13, 15 and 16) to be surplus to highway requirements to enable its disposal upon terms that are to be subject to the approval of the Property Investment Board.

## **Main Report**

### **Background**

1. Vanquish Properties has received planning permission to construct an office-led scheme of ground plus part 10, 14 and 34 storeys comprising approximately 81,700 sq m (879,000 sq ft) of offices and 1,600 sq m (18,000 sq ft) of retail (NIA). The scheme is known as 40 Leadenhall.
2. Planning permission (no. 13/01004/FULEIA) for the scheme was granted on 29 May 2014 and subsequently amendments and details pursuant to further applications have also been approved.
3. The development will oversail the affected highway land. The airspace parcels of affected highway are shown on the plan and on the separate schedule, in Appendices 1 & 2. The parcels held as City Fund highway land are parcel nos. 7,9,10,12,13,15 and 16. This report relates to those parcels. (The other parcels are held by City's Estate and therefore the airspace is not vested in the City in its highway City Fund capacity. As such, no resolution that it is surplus is required from your Committee in respect of the City's Estate parcels).

### **Current Position**

4. Vanquish Properties has approached the City seeking to acquire a permanent interest in highway land affected by its approved development scheme.
5. Buildings where the construction and retention of habitable accommodation would be governed or is governed solely by a highway licence can be compromised as investments. Therefore for the purpose of promoting long term development, the City regularly grants suitable permanent interests where permitted schemes encompass City owned highway land. The disposal of the highway land would facilitate delivery of the development.
6. Where City Fund highway is involved, before the City is able to dispose of any interests in it, the affected land must first be declared surplus to highway requirements.
7. Although the City can dispose of its highway land as a property owner, the disposal is to be restricted by datum levels and highway land outside of these levels will remain vested in the City as the highway authority until such time as it is stopped-up.
8. The area of City Fund highway land affected by the permitted scheme is situated at Fenchurch Street and Leadenhall Street, EC3 and amounts to 24.243 sq m (261 sq ft).

## Options

9. The ability of the developer to deliver the scheme as approved under planning permission no. 13/01004/FULEIA would be fettered if it could not acquire the airspace interests which will be occupied by parts of the building and building projections.

## Proposals

10. Subject to your agreement to declare the area of City Fund highway surplus to requirements, it is proposed that the City disposes of a suitable interest in the highway land upon terms to be approved by the Property Investment Board.

## Corporate & Strategic Implications

11. None.

## Implications

12. The disposal of highway land will support development and investment in the City, which inter alia ensures the supply of first class business accommodation in the City (A World Class City).
13. **Financial** – The financial implications of any disposal will be considered by the Property Investment Board.
14. **Stopping-up** – the disposal is to be restricted by upper and lower datum levels and highway land outside of these levels is not required to be stopped up.
15. **Power of Disposal** – The transaction involves the disposal of City Fund and City's Estate land, both being subject to the highway interest. No statutory power is required to dispose of land held by City's Estate.
16. The City Fund parcels are held by the City of London for highway purposes. Disposal of land held for highway purposes is authorised by Section 9 of the City of London (Various Powers) Act 1958 on such terms and conditions as the City thinks fit.
17. **Property Investment Board** – The terms of the negotiated highway disposal transaction are to be reported to the Property Investment Board for consideration, subject to you first declaring that the affected City Fund highway land will become surplus to requirements.

## Conclusion

18. The declaration confirming the highway to be surplus to requirements will enable development of the property according to the planning permission that has been granted for the 40 Leadenhall office-led scheme.

## **Appendices**

- Appendix 1 – Highway Plan
- Appendix 2 – Schedule of Highway Parcels

## **Background Papers**

Planning Permission no. 13/01004/FULEIA (29 May 2014)

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Appendix 2 – Schedule of Highway Parcels (40 Leadenhall, EC3)

<b>Parcel no.</b>	<b>Fund</b>	<b>Area (sq m)</b>
1	<u>City's Estate</u> Projection off the structure	4.208
2	<u>City's Estate</u> Projection off the structure	8.560
3	<u>City's Estate</u> Projection off the structure	0.278
4	<u>City's Estate</u> Projection off the structure	13.544
5	<u>City's Estate</u> Projection off the structure	14.236
6	<u>City's Estate</u> Projection off the structure	1.316
7	<u>City Fund</u> Projection off the structure	0.190
8	<u>City's Estate</u> Projection off the structure	3.814
9	<u>City Fund</u> Projection off the structure	4.184
10	<u>City Fund</u> Part of building structure	0.225
11	<u>City's Estate</u> Projection off the structure	2.826
12	<u>City Fund</u> Projection off the structure	7.422
13	<u>City Fund</u> Part of building structure	3.417
14	<u>City's Estate</u> Projection off the structure	1.543
15	<u>City Fund</u> Projection off the structure	3.379
16	<u>City Fund</u> Projection off the structure	5.426

City Fund Total: 24.243 sq m (261 sq ft)