

Committee(s)	Dated:
Planning & Transportation	3 October 2017
Subject: City Fund Highway Declaration – 22 Bishopsgate, EC2	Public
Report of: City Surveyor (CS.393/17)	For Decision
Report author: Roger Adams	

Summary

Approval is sought to declare parcels of City Fund highway land and airspace and subterranean land having an overall area of 4,040 ft² and situated in Bishopsgate, Undershaft and Great St Helens, EC2 to be surplus to highway requirements to allow its disposal in conjunction with the permitted development scheme at 22 Bishopsgate, EC2.

The scheme was approved by your Committee on the 28 November 2016 (16/00849/FULEIA) with part of it wholly encompassing City Corporation land within the highway and further parts of the scheme projecting above and beneath highway land.

Before any third party interests can be granted in City Fund highway land the affected areas first need to be declared surplus to highway requirements.

In this instance the scheme includes superstructure to be built upon highway land thus involving stopping-up of those highway parcels which is to be dealt with as a separate statutory procedure and independently of the proposed highway disposal. There are also airspace and subterranean projections and cladding required to an adjacent high level flank wall that will project into City Corporation airspace, all of which are to be limited to suitable datum levels in order to preserve the highway stratum.

Some of the affected highway land at Bishopsgate may have transferred to Transport for London (TFL) under the provisions of the *GLA Roads and Side Roads (Transfer of Property etc.) Order 2000* when it became the highway authority for the GLA roads (Red Routes).

The terms for the highway disposal are to be reported separately for approval of the Corporate Asset Sub Committee and Finance Committee and the Court of Common Council subject to your approval to declare the affected parcels of land to be surplus to highway requirements to enable the development.

Recommendation

Members are asked to:

- Resolve to declare an area of City Fund highway land measuring 2,739 ft² (254.46 m²) to be wholly surplus to highway requirements and further City

Fund highway land measuring 1,301 ft² (120.87 m²) surplus to highway requirements only in respect of the airspace and subterranean parts thus ensuring retention of the highway stratum for the continuing highway functions therein and all situated at Bishopsgate, Undershaft and Great St Helen's EC2 as shown on the annexed plan to enable disposal upon terms including necessary datum levels all to be approved by the Corporate Asset Sub Committee and Finance Committee and the Court of Common Council.

Main Report

Background

1. AXA Real Estate Consortium (AXA) is currently in the course of constructing its permitted development scheme at 22 Bishopsgate, EC2 (planning consent no.16/00849/FULEIA). AXA acquired the property from Arab Investments whose development of previous scheme known as 'The Pinnacle' stalled in 2012 during the early course of construction.
2. The AXA development is to have ground level plus 61 upper storeys (including 4 double height levels) comprising circa 1,382,400 ft² (128,430 m²) net internal accommodation including restaurant, retail space and leisure space (amounting to 107,400 ft² approximately) plus basement accommodation and upper level service decks.
3. The development is presently anticipated to complete around the 2nd quarter 2019 and thereafter available for letting.
4. The development encompasses City Corporation owned highway land and also has architectural features and basements that will project into other parts of City Corporation highway land situated in Bishopsgate, Undershaft and Great St Helens, EC2. A planning condition requires AXA to clad the flank wall at 42-44 Bishopsgate involving the use of City Corporation airspace.

Current Position

5. AXA has approached the City Corporation seeking to acquire suitable interests in the highway land affected by its development scheme.
6. Buildings where the construction and retention of accommodation or integral components would be governed or is governed solely by a highway licence can be compromised investments.
7. For the purpose of promoting long term development the City Corporation can dispose of suitable interests where permitted schemes encompass City Corporation owned highway land. The disposal of the highway land would support works in connection with the proper planning of the area.
8. Before the City Corporation is able to dispose of any interests in its City Fund highway land affected by permitted schemes it must first declare the land surplus to highway requirements.

9. Although the City Corporation can dispose of its highway land as a property owner the highway stratum will nevertheless remain vested in the City Corporation as the highway authority until such time as it may be stopped-up. In this instance the approved scheme involves stopping up of parts of the highway upon which superstructure is to be constructed and will be subject to a separate statutory procedure to be dealt with independently of the highway disposal.
10. **Affected Highway** - The area of City Fund highway encompassed by the development and into which there are to be built projections comprises an overall area of 4,040 ft² (375.33 m²) situated in Bishopsgate, Undershaft and Great St Helens, EC2 as shown on the map at Appendix 1.
11. **Red Route** - Bishopsgate is a GLA road (Red Route), and some of the affected highway land in Bishopsgate may have transferred to TFL under the provisions of the *GLA Roads and Side Roads (Transfer of Property etc.) Order 2000* (Transfer Order). The extent of land which transferred to TFL is currently the subject of arbitration proceedings which it commenced under the Transfer Order provisions. Pending resolution of the ownership issue, the disposal is being done in co-operation with TFL.
12. **Ordnance Datum Newlyn** – The British mainland national geographic height measurement system by reference to which the volume of airspace can be identified from defined upper and lower levels.

Proposals

13. Subject to your agreement to declare surplus to highway requirements pursuant to *City of London (Various Powers) Act 1958 section 9* and the *Town and Country Planning Act 1990 sections 233(1)(a) & (b)* as appropriate the whole of the City Fund highway land measuring 2,739 ft² and the airspace and basement levels of highway land measuring 1,301 ft² all as situated in Bishopsgate, Undershaft and Great St Helens, EC2 and shown on the map at Appendix 1, it is proposed that the City Corporation disposes of a suitable interest in the land to support the permitted development scheme (16/00849/FULEIA) upon terms to be approved by the Corporate Asset Sub Committee and Finance Committee and the Court of Common Council.

Corporate & Strategic Implications

14. The disposal of highway land will support the development and investment in the City which *inter alia* ensures the supply of first class business accommodation in the City (A World Class City).

Financial Implications

15. The financial implications of disposal of the highway asset will be presented for consideration to the Corporate Asset Sub Committee and Finance Committee and the Court of Common Council.

Legal Implications

16. **Stopping-up** – The development encompasses parts of the highway for which stopping up is required to be dealt with as a separate statutory procedure and independently of the highway disposal.
17. **Power of Disposal** - The proposed transaction involves disposal of interests in City Fund highway land that were acquired under historic legislation where part is now held for highway purposes and part is held for planning purposes.
18. **Highway Purposes** - Disposal of any interests in City Fund land which is held for highway purposes is authorised by the *City of London (Various Powers) Act 1958, Section 9*, which allows the City Corporation to dispose of its land within or outside of the City in such manner and for such consideration and on such terms and conditions as it thinks fit.
19. **Planning Purposes** - Disposal of any interests in City Fund land which is held for planning purposes is authorised by the *Town and Country Planning Act 1990, Section 233(1)(a) & (b)* to secure the best use of land or to secure the carrying out of works for the proper planning of the area and also for the best consideration that can reasonably be obtained.

Disposal

20. **Transaction** - The terms of the highway disposal transaction are to be reported to the Corporate Asset Sub Committee, Finance Committee and the Court of Common Council for consideration subject to you having declared the affected City Fund highway land to be surplus to highway requirements.

Conclusion

21. The necessary declaration confirming the highway to be surplus to requirements excluding the highway stratum where necessary will enable development of the property according to the planning permission that has been granted.

Appendices

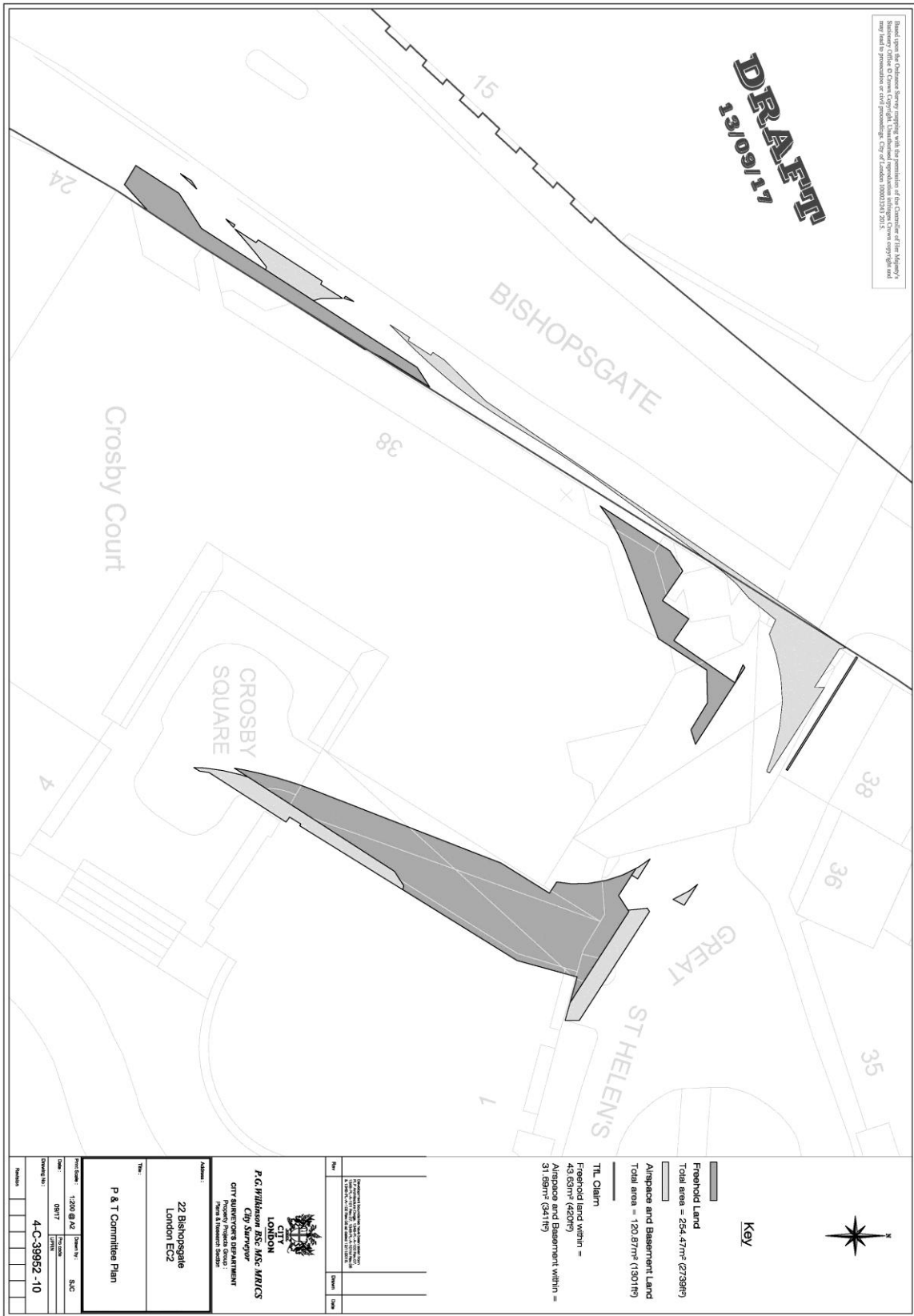
- Appendix 1 – Highway Plan 22 Bishopsgate EC2.
- Appendix 2 – Proposed Development 22 Bishopsgate EC2.
- Appendix 3 – Adjacent Flank Wall 42-44 Bishopsgate EC2.

Background Papers:

- Planning Consent number 16/00849/FULEIA.

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Appendix 1 – Highway Plan 22 Bishopsgate, EC2



Appendix 2 – Proposed Development 22 Bishopsgate, EC2



Appendix 3 – Adjacent Flank Wall 42-44 Bishopsgate, EC2

