

Committee(s)	Dated:
Property Investment Board Planning and Transportation Committee	16 th December 2020 15 th December 2020
Subject: Bridge House Estates, Colechurch House, SE1 – Proposed Removal of the Elevated Footway	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	4b, 7b, 10a, 10b, 10c, 11b
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: The City Surveyor (CS 431/20)	For Decision
Report authors: Neil Robbie, Assistant Director, City Surveyor’s Department Gordon Roy, District Surveyor & Environmental resilience Director, Department of Built Environment	

Summary

1. In June 2019 Property Investment Board approval was granted (CS 221/19) to accept an offer submitted by CIT Group Partners LLP (CIT) on behalf of Bridge Park Estates Limited (BPEL) for a 150 year lease at 5% gearing for the redevelopment of the combined Colechurch House site (including the land ownerships of London Borough of Southwark (LBS) and Transport for London (TFL)) following open marketing by the City’s agent, Jones Lang Lasalle (JLL). BPEL entered into an Agreement for Lease in October 2019 providing for a period of three years to call for the grant of a new 150 year lease and to enter into a Development Agreement, conditional upon securing planning permission.
2. CIT have now submitted their planning application to LBS having designed a BREEAM Outstanding scheme with Foster+Partners architects. The scheme provides for c. 345,000 sq ft NIA of mixed-use commercial space to include a theatre, retail and office accommodation and increases the quality and quantity of public realm over the site (see image in Appendix 2). The proposals provide for the removal of the existing elevated footway which provides public access links from London Bridge Approach via the exterior of Colechurch House at first floor level to London Bridge Station (see photo in Appendix 1). This elevated footway was authorised by the London Bridge Improvements Act 1962 and London Bridge Act 1967 and is vested in the City as trustee of Bridge House Estates and liable to be maintained by the City. BHE is not being recompensed for the removal of the elevated footway, its removal for the purpose of the redevelopment of the

Colechurch House site would enable BHE to increase its income for charitable purposes. The removal of the footway will also result in removing all maintenance costs associated with the footway, however in the short term these costs are limited as only structural inspections were scheduled to be undertaken.

3. The cost of removal of the walkway and subsequent public realm improvements will be paid for by CIT as part of the scheme and Bridge House Estates will benefit financially through a 5% gearing on a scheme of c 345,000 sq ft NIA. Bridge House Estates will also benefit from the payment of a planning overage for any consent over 250,000 sq ft.
4. Under section 32(3) of the City of London (Various Powers) Act 1963 the City have the power to close all public entrances to the elevated footway at such times and for such purposes as they may from time to time, after consultation with British Railways Board (now Network Rail) London Transport Board (now TFL) and the Metropolitan Boroughs of Bermondsey and Southwark (now LBS)), think fit. After such consultation as is required under section 32(3), the City also have the power to divert or stop up and demolish the elevated footway for the purpose of development to be carried out in accordance with planning permission granted under Part III of the Town and Country Planning Act 1990. (Section 32(3A) CoL VP Act 1963 as amended in 2007). The areas of footway to be removed that require the City to consult on comprises work numbers 3 and 3A as identified on the plan in Appendix 3.
5. Heads of Terms for the transfer of the interests in the elevated footway are currently being negotiated with CIT. If approved, it is proposed the cost of the removal of the footway be met by CIT and the works monitored by The City. This report therefore requests approval, if it is considered in the best interests of the charity, for the City Surveyor to carry out the statutory consultation under section 32(3A) above, and subject to (1) there being no unresolved objections in response to the statutory consultation and (2) to the grant of planning permission by LBS, to take all necessary steps to enable the stopping up and demolition of the elevated footway for the purpose of the redevelopment of Colechurch House.

Recommendations

6. Acting collectively for the City as trustee of Bridge House Estates, should it be considered to be in the best interests of the charity, to:
 - i) Delegate authority to the City Surveyor to carry out the statutory consultation in accordance with section 32(3A) of the City of London (Various Powers) Act 1963 (as amended) with Network Rail, Transport for London and the London Borough of Southwark with regards to the proposed demolition of the elevated footway at Colechurch House;
 - ii) Delegate authority to the City Surveyor in consultation with the Chairs of the Planning and Transportation Committee and Property Investment Board to review the responses to the consultation subject to reporting back to Committee in the event of any unresolved objections or issues; and

- iii) Subject to there being (i) no unresolved objections or issues in response to the statutory consultation (ii) planning permission being granted for the redevelopment of Colechurch House and removal of the elevated footway and (iii) the developer obtaining all consents necessary for the demolition of the elevated footway, to delegate authority to the City Surveyor to take all necessary steps (including the entering into of any necessary agreements) to enable the stopping up and demolition of the elevated footway to be carried out.

Main Report

Background

- 1) In June 2019 approval was granted (CS 221/19) to accept an offer submitted by CIT Group Partners LLP (CIT) for a 150 year lease at 5% gearing for the redevelopment of Colechurch House following open marketing by the City's agent, Jones Lang Lasalle (JLL). CIT entered into an Agreement for Lease in October 2019 providing for a period of three years to call for the grant of a new 150 year lease and to enter into a Development Agreement, conditional upon securing planning permission. A non-refundable deposit was paid by CIT on entering into the Agreement for Lease with balance payable on the grant of the 150 year lease.
- 2) An elevated footway links London Bridge Approach via the external façade of Colechurch House at first floor level to the London Bridge Station. As regards ownership of the elevated footway, so far as registered it falls within the freehold title of the City as trustee of Bridge House Estates and the freehold title of the London Borough of Southwark. CIT have now submitted their planning application to LBS for a scheme which removes the elevated footway.
- 3) The City have therefore been requested by the developer to begin the process of consultation to enable removal of the elevated footway in accordance with section 32(3A) of the City of London (Various Powers) Act 1963 (as amended). This provides that after such consultation as is required under section 32(3) (i.e. consultation with Network Rail, TFL and LBS), the City shall have the power to divert or stop up and demolish the elevated footway for the purpose of development to be carried out in accordance with planning permission granted under Part III of the Town and Country Planning Act 1990.

Current Position

- 4) The proposals by CIT provide for the removal of the existing elevated footway which provides public access links from the exterior of Colechurch House at first floor level to London Bridge Station and the rebuilding of the link onto London Bridge Approach. It is proposed that all access to the Colechurch House site, including from London Bridge Station, should be at grade and these proposals are being considered by TfL as part of the planning process. These proposals include increasing the public realm, pavement sizes, and enlarging crossing points on Duke Street Hill to 10m wide, and TfL are ensuring that they are satisfied that pedestrian access between London Bridge and London Bridge Station are safe and appropriate for anticipated pedestrian flows.

- 5) On behalf of CIT, Modelling Group has modelled the impact of the footway removal using VISSIM and VISWALK - two software packages approved by TFL. An extended range of traffic datasets have been used to build the model including Space syntax's pedestrian survey data. The results of the modelling show improvements to pedestrian comfort and confirm proposed pedestrian densities are within recommended maximums.
- 6) The modelling, and therefore conclusions drawn from it, are based on no changes to the traffic light phasing or to the existing levels of pedestrian compliance – it therefore has no net effect on other modes of transport such as bus, cars, cyclists and taxis. The case for replacement of the footway with street level crossings is subject to verification by TFL's internal modelling team, which will be referenced by TFL when they are consulted.

Proposals

- 7) The consultation required prior to exercising the statutory powers to remove the elevated footway is set out in legislation (s.32 of the City of London (Various Powers) Act 1963 (as amended by the Charities (Bridge House Estates) Order 2007)). The removal of the footway would be subject to the outcome of the consultation exercise and also the grant of planning permission.
- 8) It is considered to be appropriate and more transparent for all parties, including the public, if the consultation for the footway removal is carried out at a similar time as the consultation for the planning application. This ensures consultees have the full context and all issues should then be flushed out around the same time, giving the relevant parties the opportunity to reflect and adapt accordingly (ahead of the LBS planning committee). Based on CIT's planning submission submitted in October, LBS is anticipated to consult through November and into December. There is no prescribed time period for the length of the City's consultation. If consultation commences before Christmas it is intended to allow a period of 28 days for consultation responses to be received by the City.
- 9) If the consultation is successful and planning consent is granted the City will still be responsible for the footway structure at the connection to London Bridge Approach and the footway structure across Duke St Hill and the consultation will need to confirm that the adjoining owners are satisfied that the removal of these structures is not injurious to their structure and that the extent of repair and reinstatement is to their satisfaction.
- 10) The removal of the footway structures is a statutory function so CIT will need to act as our agent to remove the structures and reinstate/repair any walls to the adjoining owners property, to their satisfaction incorporated into an agreement, at the developers expense including suitable recompense for the Comptroller and City Solicitor and staff expenses.

Legal considerations

- 11) Section 32(3A) of the City of London (Various Powers) Act 1963 (as amended) requires the City as trustee of Bridge House Estates to undertake consultation with Network Rail, TFL and the LBS prior to stopping up and demolishing the elevated footway for the purpose of development to be carried out in accordance with planning permission granted under Part III of the TCPA 1990. Allowing a period of 28 days for the consultation is considered reasonable should the consultation include the Christmas period.

- 12) When acting collectively for the City as trustee of Bridge House Estates decisions must be taken in the best interests of the charity. Appendix 4 outlines the duties of the City as trustee of Bridge House Estates and principles of trustee decision-making which trustees should be able to show that they have followed.

Conclusion

- 13) The cost of removal of the footway will be met by CIT and modelling provided to TFL show improvements to pedestrian comfort and confirm proposed pedestrian densities are within recommended maximums. CIT have submitted a planning application which includes removal of the footway so this will be considered by LBS and TFL as part of the planning process. It is considered appropriate that the statutory consultation for the footway removal takes place at the same time as the consideration of the planning application which has been submitted so it is recommended to begin the consultation in December 2020.

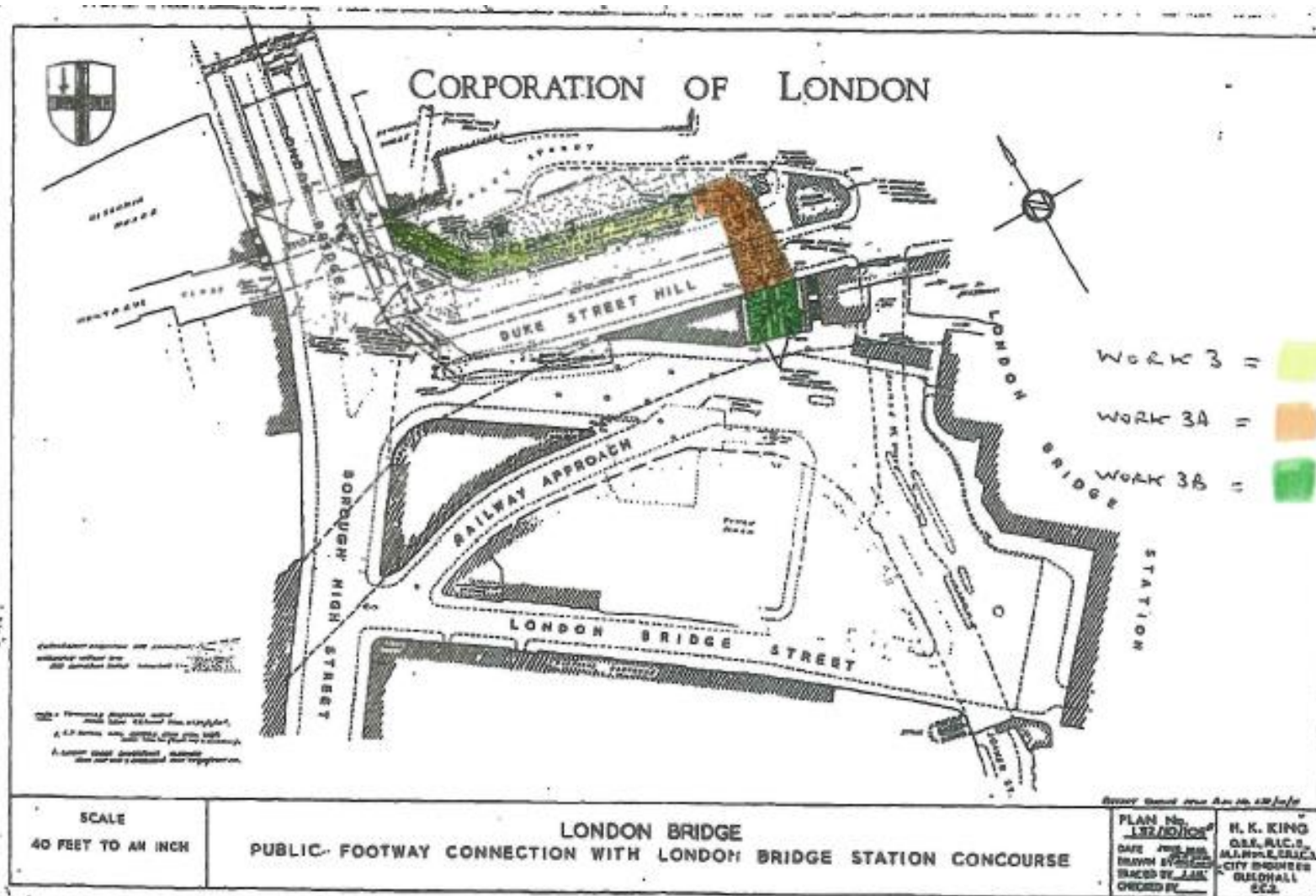
Appendix 1 – The section of footway connecting Colechurch House with London Bridge Station



Appendix 2 – CGI of Proposed Development by CIT



Appendix 3 – Site plan including areas of footway to be removed



Summary of Bridge House Estates Charity Trustee's role

The City Corporation is the sole trustee of the Bridge House Estates charity. It acts by the Court of Common Council and its committees to which functions of the charity have been delegated. All Members of the Court collectively exercise the City's duties as trustee; and each Member by virtue of their membership of the Court, its relevant committees and sub-committees, has a duty to support the City Corporation in the exercise of its duties as trustee by faithfully acting in accordance with the terms of reference of the relevant committee or sub-committee, and the City Corporation's agreed corporate governance framework. (Officers may also act under delegated authority). All Charity trustees must always act in the best interests of the Charity and manage any conflicts of interest or loyalty accordingly. When Members of the Court (at the Court itself or across committees) are dealing with business associated with the Charity, they must ensure that the best interests of the Charity are paramount.

The City Corporation, as trustee of Bridge House Estates has the following main duties:-

1. To ensure the charity is carrying out its purposes for the public benefit.
2. To comply with the charity's governing documents and the law.
3. To act in the charity's best interests.
4. To manage the charity's resources responsibly.
5. To act with reasonable care and skill.
6. To ensure the charity is accountable.

The courts have developed principles of trustee decision-making which trustees should be able to show that they have followed. These are that in making decisions about the charity, trustees must:

1. act within their powers (i.e. consistent with the charity's objects and powers.)
2. act in good faith, and only in the interests of the charity.
3. make sure they are sufficiently informed, taking any advice they need.
4. take account of all relevant factors.
5. ignore any irrelevant ones.
6. manage conflicts of interest.
7. make decisions that are within the range of decisions that a reasonable trustee body could make in the circumstances.

While the City Corporation is acting in its general corporate capacity as trustee of Bridge House Estates, the Charity Commission's guidance for Local authorities acting as a charitable Trustee is helpful in providing clarification where an organisation must balance its competing duties and interests (available on their website at : <https://www.gov.uk/government/publications/local-authorities-as-charity-trustees>); as is the Charity Commission's Conflicts of Interest Guidance, CC29 (also available on their website at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/343408/CC29- PDF.pdf)

The report presented to Court of Common Council on 16 January 2014 entitled “The role of the City of London Corporation as Trustee of the Bridge House Estates” clarifies the distinct functions and responsibilities of Committees that conduct business relating to the Charity as they existed at the time, and is listed as a background document to this report.