

Committee(s): Planning and Transportation Committee – For decision	Dated: 14 12 2021
Subject: City Fund Highway Declaration: 50 Fenchurch Street, EC3M 3JY	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	7 & 10
Does this proposal require extra revenue and/or capital spending?	N
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: City Surveyor (CS.444/21)	For Decision
Report author: Nicholas Welland	

Summary

Approval is sought to declare a portion of City Fund freehold land/subsoil (421 sq.ft.) and a volume of airspace (741 sq.ft.) situated around 50 Fenchurch Street, EC3M 3JY to be surplus to highway requirements to allow its disposal in conjunction with the permitted development.

Redevelopment of the site was approved by Planning and Transportation Committee on 14 May 2020 and planning permission was issued on 23 September 2021 (19/01307/FULEIA). The building encroaches on City Corporation land and airspace. The Clothworkers is seeking to regularise its use of the land.

Before third party interests can be granted in City Fund land (held for highway purposes) which is highway land the affected areas first need to be declared surplus to highway requirements.

The highway stratum beneath the airspace is not to be declared surplus and will remain as highway. The airspace will be used for a Building Maintenance Unit (BMU).

The highway stratum above the subsoil if declared surplus will remain as highway.

The terms for the highway disposal, are to be reported separately for approval of the Corporate Asset Sub (Finance) Committee, subject to your approval to declare the affected volume of airspace surplus to highway requirements.

Recommendation(s)

Members are asked to:

- Resolve to declare a volume of City Fund land (held for highway purposes) measuring a total of 421 sq.ft. situated around 50 Fenchurch Street, EC3M, to be surplus to highway requirements to enable its disposal upon terms to be approved by the Corporate Asset Sub Committee and Finance Committee.

- Resolve to declare a volume of City Fund airspace (held for highway purposes) measuring a total of 741 sq.ft. situated around 50 Fenchurch Street, EC3M, to be surplus to highway requirements to enable its disposal upon terms to be approved by the Corporate Asset Sub Committee and Finance Committee. Subject to the vertical extent of the airspace being first agreed by the Deputy Director of Transportation and Public Realm.
- Delegate authority to the City Surveyor and the Deputy Director of Transportation and Public Realm to determine the relevant ordnance datum levels to suitably restrict the vertical extent of the leasehold airspace demise.

Main Report

Background

1. 50 Fenchurch Street is an island site bounded by Fenchurch Street, Mincing Lane, Dunster Court, and Mark Lane. The site is owned by The Clothworkers. Apart from the medieval Tower of All Hallows Staining and the subterranean Lambe's Chapel Crypt, all the buildings were built after 1945. These buildings include the Clothworkers' Hall, Minster House, 46-50 Fenchurch Street, 51-54 Fenchurch Street and St Olave's Church Hall.
2. Redevelopment of the site was approved by Planning and Transportation Committee on 14 May 2020 and planning permission was issued on 23 September 2021 (19/01307/FULEIA). The redevelopment involves the demolition of 41-43 Mincing Lane, 40-54 Fenchurch Street, former church hall and the Clothworkers' Hall. The redevelopment will provide a new building comprising four levels of basement, ground, mezzanine, plus parts 9, 31 and 35 storeys containing a total floor area of 94,336sq.m GIA, comprising 88,064sq.m of office floorspace, 289sq.m of flexible retail floorspace, 550sq.m of flexible retail floorspace, 789sq.m of livery hall floorspace, 214sq.m of crypt floorspace and 430sq.m of winter garden floorspace.
3. The development includes projections that project into City Corporation owned freehold around the building, a portion of which is held by City Fund (highway).
4. The development includes projections that project into City Corporation owned airspace around the building, a portion of which is held by City Fund (highway).

Current Position

5. The Clothworkers Company Limited has approached the City Corporation seeking to acquire a suitable interest in the land and airspace affected by its approved redevelopment works.
6. In the event of the land and airspace being declared surplus, its disposal is a matter for Corporate Asset Sub-Committee and Finance Committee. However, by way of background, land held for highway purposes may be disposed of in such manner and for such consideration as the City Corporation thinks fit.

7. Before the City Corporation is able to dispose of any interests in City Fund (highway) land which is highway your Committee should first agree it is surplus to highway requirements.
8. The proposed surplus declaration does not extend to the highway stratum which will remain as highway and vested in the City Corporation as the highway authority (unless it is ever stopped up, which is not proposed in relation to the City Fund portion of the disposal). Where applicable, the vertical extent of the highway stratum would be approved by the Deputy Director of Transportation and Public Realm to ensure that sufficient stratum remained to enable the use, management and maintenance of the highway.
9. In this instance, the development will oversail City Fund highway but will not impede it thus stopping-up is neither necessary nor required. It should however be noted there is a requirement for a highway (Star Alley) to be stopped up as part of this development. It runs through the development site and will have building below ground and at ground level plant equipment relating to the building and amenity space. The Planning and Transportation Committee will consider a separate report by the Built Environment Department also on the agenda for this meeting on 14 December 2021. The disposal of the City's interest in Star Lane at ground level is subject to the stopping up order being granted. Star Lane is held by the City in its City Cash capacity rather than its local authority/highway authority capacity and so a separate surplus declaration in respect of the City's Cash land is not sought from your Committee. Nothing in this report affects the determination of the stopping up order.
10. Detailed research by City Surveyors confirms the City Corporation's ownership of the parcels of affected land measuring 2,617 sq.ft. in total. This is split between City Cash (1,455 sq.ft.) and City Fund (Highway) (1,162 sq.ft.). A full breakdown of the areas is available in Appendix A.
11. The upper and lower levels of the projection will be governed by Ordnance Datum Newlyn levels. Ordnance Datum Newlyn is the British mainland national geographic height system by reference to which the volume of land or airspace can be defined and identified by its upper and lower levels.

Proposals

12. The land is not considered necessary for the use of the highway and the exercise of the highway function and it is therefore proposed that subject to your agreement to declare the area of City Fund land around 50 Fenchurch Street, EC3M, to be surplus to highway requirements (measuring 421 sq.ft.) so that the City Corporation disposes of a suitable interest in the upon terms to be approved by the Corporate Asset Sub Committee and Finance Committee (Appendix B).
13. The airspace is not considered necessary for the use of the highway and the exercise of the highway function (subject to the Deputy Director of Transportation and Public Realm approval of the vertical extent of the highway stratum) and it is therefore proposed that subject to your agreement to declare the volume of City

Fund airspace around 50 Fenchurch Street, EC3M, to be surplus to highway requirements (measuring 741 sq.ft.) so that the City Corporation disposes of a suitable interest in the airspace upon terms to be approved by the Corporate Asset Sub Committee and Finance Committee (Appendix C).

Corporate & Strategic Implications

14. Strategic implications –

- 7. We are a global hub for innovation in finance and professional services, commerce and culture.
- 10. We inspire enterprise, excellence, creativity and collaboration.

15. Financial implications –

- The terms of the highway disposal transaction are to be reported to the Corporate Asset Sub Committee on 24 November 2021 and Finance Committee on 7 December 2021 for consideration subject to you declaring the affected City Fund land and airspace to be surplus to highway requirements.

16. Resource implications – None

17. Legal implications –

- 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.
- No statutory power is required in respect of the disposal of a City's Cash interest and it may be disposed of at the City's discretion.

18. Risk implications – The developer could choose not to proceed with the transaction, however, this is considered unlikely.

19. Equalities implications – No equalities issues identified.

20. Climate implications – None

21. Security implications - None

Conclusion

22. The land and airspace proposed to be declared surplus to highway purposes are not required for highway functions. If declared surplus it is proposed to dispose of an interest in it to enable the development of the property according to the planning permission that has been granted (19/01307/FULEIA).

Appendices

- Appendix A - Premium Breakdown
- Appendix B – Land Oversail Plan, 50 Fenchurch Street, EC3M 3JY
- Appendix C – Airspace (BMU) Oversail Plan, 50 Fenchurch Street, EC3M 3JY

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