

Appendix 6 – Developer’s request to use S203

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Gwyn Richards
City of London Corporation
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Dear Gwyn,

Section 203 - Housing and Planning Act 2016

Bank Over Station Development - Site Bounded By King William Street, Cannon Street, Abchurch Lane & Nicholas Lane, London EC4

We write to you with regard to the Bank Over-station Development Site, a project which has been in the development pipeline for over 10 years and lies directly above/ adjoins the Cannon Street entrance to Bank Underground station and ticket hall.

By way of background, the buildings that previously occupied the site comprised 14,609sqm of retail, restaurant hot food/takeaway and office floorspace and did not provide high quality office accommodation.

Planning permission was originally granted on 27 June 2014 for the demolition of the existing building and redevelopment with a new office building at part basement, ground and six upper floors with retail uses at ground and mezzanine levels (Ref. 14/00178/FULEIA).

This permission was implemented in 2017 as part of the construction of the Bank Station Box and Bank Station Capacity Upgrade Works which sit below and adjoining the development site, approved under the Transport and Works Act Order (TWAO) on 15th December 2015 (ref. TWA/14/APP/05).

Since then, various changes have been made to the proposed development, including permission for the erection of a single storey roof extension at seventh floor level atop the implemented development to provide office floorspace and a roof terrace (Ref. 21/00279/FULMA), approved on 30 June 2022), amongst other Non-Material Alterations, two of which are currently live, to improve the viability and deliverability of the project.

The City of London is aware that rights of light issues remain a concern generally in the property industry and are a significant impediment to the development of property in the City of London, as is the case with this development.

We are writing to you specifically to seek the City of London’s assistance in overcoming potential actionable rights of light issues that adversely impact on the redevelopment.

In particular, we are writing to ask if the City of London would be prepared to consider acquiring an interest in the Site for the planning purpose of the development to enable the operation of Section 203 of the Housing and Planning Act. In this way, the actionable risk can be overcome. Once acquired by the City of London, the interest would be effectively transferred back to the long leaseholder via a grant of a leaseback to enable the redevelopment to proceed. We would suggest that this case justifies such action for the reasons set out in this letter.

Whilst the design has been developed having regard to its impact on rights of light, some impact is inevitable. In its consideration of the planning application for the current scheme, the City of London concluded that the proposed scale is appropriate and that the scale and design is acceptable.

Accordingly, Delva Patman Redler LLP ('DPR') were appointed as the project's rights of light surveyors in respect of the redevelopment of the site, and since 2022, they have contacted the owners who have potentially actionable injuries.

All owners have appointed a specialist right of light surveyor (at Transport for London's cost) and have had their demise reassessed based on accurate internal layouts. Where a material loss of light may occur, a reasonable offer has been made to them based on an industry standard book value methodology.

To date 80% of owners have agreed a settlement or confirmed no material loss would occur following the successful completion of the consented scheme. Where settlements have been agreed, the deeds of release are in various stages of completion and are being handled by solicitors. It is believed they should be completed amicably in the near future.

With the high level of mutual agreement completed it is evident the approach and strategy has been reasonable and fair. Remaining commercial negotiations with the outstanding affected parties are proceeding slowly, despite first contact being made over two years ago. Further details of these negotiations can be supplied on request, however due to the commercially sensitive (and without prejudice) nature of the matter as a whole, a copy has not been appended to this report at this time.

Whilst we will, of course, continue to negotiate, it is clear that, despite prolonged and intensive effort on the part of DPR and Transport for London supported by their JV partner for the development Helical, at the present time there is no realistic prospect that agreement will be reached and binding deeds of release entered into with all those owners that would hold potential actionable rights of light claims in respect of the development, in time to enable the contractor, who has now been appointed, to proceed with the above ground development works in January 2025.

Since the JV between Helical and Places for London (the Property Company for Transport for London) was signed in 2023 to enable the delivery of the project, there has been a collective review of the extant permission in order to create best in class office space with high quality amenity focusing on health and wellbeing, in accordance with adopted and emerging City Plan policies.

As a result, the scheme has adapted to respond to the challenges and opportunities facing the office and retail sectors, which also aligns with the City of London's emerging City Plan evidence base and planning policies (as set out within the Draft City Plan, 2023) in response to the pandemic. Furthermore, Transport for London's share of the development returns will be re-invested into transport infrastructure for the wider public benefit.

Whilst these further amendments have allowed for the development to commence, if rights of light settlements cannot be reached there is a serious risk to the delivery of the project beyond the above ground enabling works which would then continue to blight the area.

Conversely, if delivered, the proposals will provide a total of 16,874sqm (GIA) high quality office space that promotes health and wellbeing; it will provide substantial public realm improvements comprising a shared surface to the whole of Abchurch Lane (including improving the setting of Abchurch yard); it will provide 395sqm of retail and a substantial increase in active frontages at ground floor comprising the length of Abchurch Lane and Cannon Street, thereby activating and enlivening the new area of public realm; and will preserve and enhance the significance of the Grade I listed St Mary Abchurch and the Royal Philatelic Society (No. 15 Abchurch Lane).

It should be noted that pre-let discussions are on-going for substantial parts of the building and in relation to single occupancy of the building. However, the lack of agreement on rights-of light could result in potential tenants considering alternative options outside the City of London if there is no guarantee that the delivery programme can be met as a result of this.

In considering whether to use its Section 203 powers, we ask the City of London to take the following into account:

- There is a need to ensure 'Best-in-Class office facilities – in particular, promoting healthy lifestyles, wellbeing, attracting and retaining the strongest talent and encouraging people back to work in the City of London. Market research has shown there is a clear flight to quality in the Central London office market in recent years. There is an urgent need to safeguard offices built now to meet modern office and amenity space requirements to ensure their longevity noting demand to deliver 1.2 million sqm of office floorspace in the City of London between 2021 and 2040, as set out in the Draft City Plan.
- The Proposed Development will provide high quality office floorspace, healthy working environments and promote wellbeing in accordance with adopted City Plan (2015) Policy CS1 and Draft City Plan (2023) Policies S4 and OF1. The delivery 16,874sqm office floorspace, including provision of high-quality amenity space at ground floor and mezzanine levels, provides a substantial contribution to meeting this target.
- Adopted City Plan (2015) Policy CS20 and Draft City Plan (2023) Policy S5 highlight the need to improve the quantity and quality of retailing in the City of London. The Proposed Development will provide a net increase of retail floorspace, comprising 395sqm total floorspace and offer significant additional flexible amenity space to support potential office occupiers and retail use.
- City Plan (2015) Policy CS10 seeks to promote a high standard of design and sustainable buildings, streets and spaces having regard to their surroundings and the historic and local character of the City and creating inclusive and attractive environment. City Plan (2015) Policies CS12, DM 12.1-12.3 and Draft City Plan (2023) Policies S11 and HE1 seek to conserve and enhance the significance of identified heritage assets and their settings.

Draft City Plan (2023) Policy S11 seeks to enhance public access to the City's cultural and heritage assets.

- The Site is within the Bank Conservation Area and the applicant seeks to rebuild the 20 Abchurch Lane façade facing onto Abchurch Yard. The Proposed Development provides significant public realm enhancement which will allow for better appreciation of the surrounding designated heritage assets and will conserve and enhance the significance of the Grade I listed St Mary Abchurch and the Royal Philatelic Society, in addition to providing improved opportunities for the public to access and enjoy the setting of these heritage assets.

In light of the above, we ask the City of London to consider acquiring an interest in the Site bounded by King William Street, Cannon Street, Abchurch Lane and Nicholas Lane for the planning purpose of the development to enable the operation of Section 203 of the Housing and Planning Act. It is critical that this is resolved prior to December 2024 to deliver the scheme by December 2026.

If the City of London is willing to contemplate the use of the Section 203, we ask that you confirm steps required to be taken and the timetable for the grant of the appropriate committee resolution, noting that in order to prevent works pausing/ stopping altogether, a November 2024 Committee date would need to be met.

Yours Sincerely,



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For and on behalf of
Places for London & Helical