

Proposed Property Disposal

Application by Network Rail Infrastructure Limited to dispose of land in accordance with the Land Disposal Condition of the Network Licence - Thames House 18, 18A and 18B Park Street, Southwark

1. Site	
Site location and description	<p>ORR is aware of the proposal to dispose of a portfolio of properties by the grant of an overriding lease for a term of 150-years known as project Condor. We have negotiated a standard form of lease which is LC7 compliant and ORR has previously confirmed agreement with Network Rail's approach to rely upon the provisions of ORR's Land Disposal General Consent, by virtue of the terms of the lease.</p> <p>Network Rail (NR) is the owner of freehold premises which is situated between Park Street, Stoney Street and Clink Street in the London Borough of Southwark. Network Rail's retained freehold interest is shown coloured green.</p> <p>Meyer Bergman (MB) is the owner of freehold land at 18, 18A and 18B Park Street that comprises Thames House ("Thames House" demise), an existing five storey office building and an area of adjoining land (outlined red on the attached plan). In 2017 the Thames House site was leased to NR for a term of 125 years.</p> <p>This 2017 lease of Thames House to NR was granted so that NR could then let a whole development site being the edged red and blue land on the plan back to MB as one unified commercial development. That underlease ("the MB Underlease ") from NR to MB of the unified commercial development site was granted in 2017 for a term of 125 years less three days.</p> <p>No railway break rights replicating ground c(i) of the licence condition 7 General Consent issued by ORR were inserted into the MB Underlease in relation to Thames House because NR did not, require railway protective rights over Thames House. It is of no practical value to NR to insert into the arrangement with the Condor NewCo an equivalent break right in relation to Thames House because even if exercised by NR, it would simply not bite as against MB.</p> <p>The 2017 lease to NR of Thames House contains restrictions on underletting without MB's consent. Therefore, NR has decided it is simplest to assign the 2017 lease to the Condor Buyer. For the avoidance of doubt this relates to the red outlined land only.</p> <p>Given the term of the Thames House lease and these limited rights it was considered impractical draft the protective provisions contained in the LC7 compliant wording into the proposed overriding lease, as any such rights could not effectively be exercised until the Thames House lease came to an end.</p> <p>It has therefore been agreed that NR's interest in the Headlease be assigned to the Condor buyer. For the avoidance of doubt this relates to the red outlined land only.</p>

<p>Specific ORR consent</p>	<p>Given this analysis above, NR is seeking specific ORR consent for the disposal of this specific asset Thames House by way of the assignment of the 2017 lease to the Condor Buyer.</p> <ol style="list-style-type: none"> 1. In any event it would legally not be possible to make a break right effective retrospectively against existing MB by the insertion of the break right higher up the chain of ownership. 2. This is in fact not practically detrimental for the railway as the land is discrete and was acquired for the provision of the overall commercial development site and therefore included without a break right in the 2017 MB Underlease <p>Thames House was included within the perimeter of land for Condor that went through an appropriate business clearance process reflecting the usual Network Rail policy but customised to take account as to the size and scale of the portfolio. See below.</p>
<p>Plans attached: (all site plans should be in JPEG format, numbered and should clearly show the sites location approximate to the railway)</p>	<ol style="list-style-type: none"> 1. LB of Southwark_ZSK05006
<p>Clearance Ref:</p>	<p>Business Clearance CR/30596 dated 15 November 2016 Technical Clearance CR/30596 dated 16 November 2016</p>
<p>Project No.</p>	<p>Project Condor OP/152447</p>
<p>Ordnance survey coordinates</p>	<p>Easting (X): 532,505 Northing (Y): 180,338 Post Code: SE1 9AD</p>
<p>Details of attached photographs (as required)</p>	<p>None</p>
<p>2. Proposal</p>	
<p>Type of disposal</p>	<p>Assignment of existing 125-year headlease</p>

Proposed party taking disposal	Condor buyer to be confirmed.
Proposed use / scheme	As existing and described above.
Access arrangements to / from the disposal land	As existing – via Park Street, Stoney Street, Clink Street.
Replacement rail facilities (if appropriate)	Not applicable as no rail facilities will be lost by the proposed disposal.
Anticipated rail benefits	Part of Project Condor to funding Network Rail's CP5 Railway Upgrade Plan.
Anticipated non-rail benefits	None
3. Timescales	
Comments on timescales	Project Condor is anticipated to Exchange in September 2018 and Complete in October 2018.
4. Railway Related Issues	
History of railway related use	None. The property has never been used by the operational railway.
When last used for railway related purposes	Not applicable.
Any railway proposals affecting the site since that last relative use	No.
Impact on current railway related proposals	None.

Potential for future railway related use	The RUS has not revealed any strategic plans that require use of the disposal property.
Any closure or station change or network change related issues	No.
Whether disposal affects any railway (including train operator) related access needs, and how these are to be addressed	N/A
Position as regards safety / operational issues on severance of land from railway	The disposal does not include any requirement for new fencing of the boundary, because its location or the nature of the disposal is such that the boundary demarcation is not needed. . The disposal is without prejudice to Network Rail's safety obligations, with which Network Rail will continue to comply.
5. Planning History and Land Contamination	
Planning permissions / Local Plan allocation (if applicable)	Existing Use to continue at this location.
Contamination / Environmental Issues (if applicable)	No specific issues known relevant to this application.
6. Local Authorities	
Names & Email Addresses:	N/A

Local Transport Authorities:	N/A
Other Relevant Local Authorities:	None.
7. Internal approval to consult	
Recommendation:	<p>By proceeding to consult I am:</p> <ul style="list-style-type: none"> • recommending that Network Rail consults on the terms of disposal • confirming that I have read and understood Network Rail's Code of Business Ethics and policy on Interests in Transactions • confirming that I have secured internal written approval to consult in accordance with Network Rail's policy on Authorising Application Forms.
8. Consultations	
Internal consultation	Network Rail internal land clearance (Business & Technical) has been secured CR/30596.
Summary of position as regards external consultations	<p>Given the exceptional circumstances of this case there are no consultees who we would identify as being 'key' to determining whether it is appropriate to dispose.</p> <p>However, the DfT has been consulted and has responded in support of the proposed disposal as per the email attached to this application.</p>
Analysis of any unresolved objections together with recommendation by Network Rail as regards a	None.
9. Internal approval to dispose	
Recommendation:	Based on the above, I recommend that Network Rail proceeds with the disposal.
Declaration:	I have read and understood Network Rail's code of Business Ethics and Policy on Interests in Transactions.
Proposer's name: ✂	Proposer's job title: Development Manager

Signed.....	Date.....
Authorised by (name):	Authoriser's job title:
Signed.....	Date.....