

**Les Waters**  
Manager, Licensing  
Railway Markets and Economics  
E-mail [les.waters@orr.gsi.gov.uk](mailto:les.waters@orr.gsi.gov.uk)  
Telephone 020 7282 2106

8 December 2016

Company Secretary  
Network Rail Infrastructure Limited  
1 Eversholt Street  
London  
NW1 2DN

### **Network licence condition 7 (land disposal): Leake Street, London**

#### **Decision**

1. On 18 October 2016, Network Rail gave notice of its intention to dispose of land at Leake Street, London (the land), in accordance with paragraph 7.2 of condition 7 of its network licence. The land is described in more detail in the notice (copy attached). Network Rail has also provided additional information included at Annex B.

2. We have considered the information supplied by Network Rail including the responses received from third parties you have consulted. For the purposes of condition 7 of Network Rail's network licence, ORR consents to the disposal of the land in accordance with the particulars set out in its notice.

#### **Reasons for decision**

3. We are satisfied that Network Rail has consulted all relevant stakeholders. We note, however, that due to the timing of Network Rail's submission the consultation responses were slightly more than six months old and hence not in accordance with our land disposal guidance.<sup>1</sup>

4. We have considered the details of the proposed disposal and the responses to Network Rail's consultation. There was no indication that any of the consultees had issues with the proposals and we have concluded that it was not necessary for Network Rail to re-consult its stakeholders on this occasion as we consider it would be an unreasonable burden which would produce no benefit.

5. In considering the proposed disposal we note that:

- there is no evidence that railway operations would be affected adversely;
- no other reasonably foreseeable railway use for the land was identified;
- railway arch leases normally qualify for our general consent when Network Rail retains a materially unfettered right permitting it to terminate the lease if the land is required for the purpose of its network business. In this case, although Network Rail

<sup>1</sup> Our guidance is at [www.rail-reg.gov.uk/server/show/nav.150](http://www.rail-reg.gov.uk/server/show/nav.150)

would not retain that right, notwithstanding the 250-year lease term, it has stated that it can terminate the lease, if necessary, giving 12 months' notice. This should protect its ability to carry out its network business; and

- the development of the railway arches is the first stage of the regeneration of the former Eurostar terminal at Waterloo station which will eventually be brought back into passenger use.

6. Further information provided by Network Rail made clear that there was an additional slither of land that had not been shown in Network Rail's submission but which formed part of the disposal. This is shown at Annex B. We note its size, proximity and relationship with the land described in the submission and consider it does not change the materiality of the proposal. We therefore have not required Network Rail to re-consult its stakeholders with this information.

7. Based on all the evidence we have received and taking into account all the material facts and views relevant to our consideration under condition 7, we are satisfied that there are no issues for us to address.

8. We have had regard to our decision criteria in *Land disposal by Network Rail: the regulatory arrangements, December 2013*,<sup>1</sup> and balanced our section 4 duties given to us under the Railways Act 1993. In doing so we have given particular weight to our duty to exercise our functions in a manner which we consider best calculated to "protect the interests of users of railway services".

9. We have therefore concluded that the proposed disposal is not against the interests of users of railway services and that our consent should be granted.

*Les Waters*

**Les Waters**

**Duly authorised by the Office of Rail and Road**

# Proposed Property Disposal

Application by Network Rail Infrastructure Limited to dispose of land in accordance with the Land Disposal Condition of the Network Licence

1. Site	
Site location and description	<p>The property is located at Waterloo Station close to Leake Street and Park Plaza County Hall. It comprises storage and access within arches and circulation areas at the Leake Street level.</p> <p>The proposed disposal is of the internal airspace contained within the structures.</p> <p>The area is shown coloured blue on the plan.</p>
Plans attached: (all site plans should be in JPEG format, numbered and should clearly show the sites location approximate to the railway)	Plan number 100416.
Clearance Ref:	The Clearance reference number is CR/28115. Business Clearance Certificate 36592 and Technical Clearance Certificate 36884 both relate to the proposed disposal.
Project No.	Not applicable.
Ordnance survey coordinates	E 530941, N 179728.
Photographs (as required)	Not available.
2. Proposal	
Type of disposal (i.e. lease / freehold sale)	250 year lease.
Proposed party taking disposal	Secretary of State for Transport, Great Minster House, 33 Horseferry Road, London SW1P 4DR

Proposed use / scheme	DfT and London and Continental Railways have created a scheme to refurbish a number of arches on Leake Street, currently in use as a car park. A part of the scheme falls within Network Rail's freehold ownership at Waterloo. This project is supplemental to the Waterloo International Terminal (WIT) proposals, which involves bringing platforms in the former terminal into use and redesigning the concourse.
Access arrangements to / from the disposal land	Access is available from the adjoining highway and from Leake Street.
Replacement rail facilities (if appropriate)	This is not applicable, there is no loss of rail facilities.
Anticipated Rail benefits	The land sale proposal will produce a capital receipt for the benefit of the railway. The development proposal will provide new restaurant and retail facilities for passengers and improve the physical environment at Waterloo station.
Anticipated Non-rail benefits	The proposal will provide <ul style="list-style-type: none"> <li>• permanent employment opportunities</li> <li>• new retail and leisure opportunities</li> <li>• an attractive and lively environment comprising retail units in place of an unused and under-utilised area</li> <li>• a supplement to the existing cultural experience in the Leake Street area</li> </ul>
<b>3. Timescales</b>	
Comments on timescales	The proposed lease between Network Rail and Secretary of State for Transport has been agreed in principle, completion is subject to regulatory approval and formal approval by the respective parties. Completion of the lease is expected during October or November 2016.
<b>4. Railway Related Issues</b>	
History of railway related use	The arches provide structural support for Waterloo Station which will not be affected by the current proposals. There is no recent history of railway related use.
When last used for railway related purposes	Not known

Any railway proposals affecting the site since that last relative use	None. The proposals are known to the WIT team.
Impact on current railway related proposals	There are no uses identified for this site in the RUS or the long term plan and therefore the proposal has no impact on current railway proposals.
Potential for future railway related use	As above, there are no uses identified for this site in the RUS or the long term plan.
Any closure or station change or network change related issues	None
Whether disposal affects any railway (including train operator) related access needs, and how these are to be addressed in future	None
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.

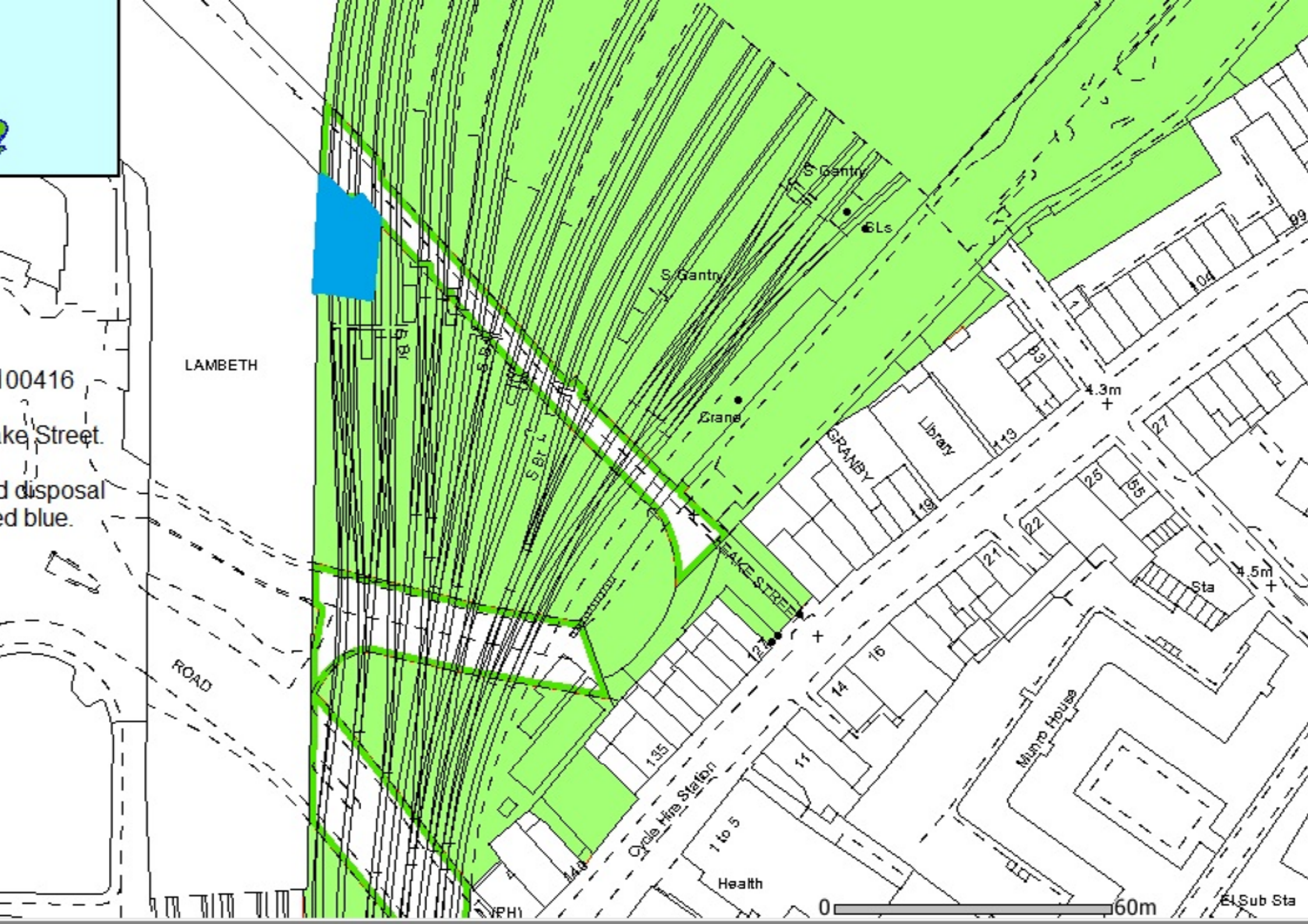
## 5. Planning History and Land Contamination

Planning permissions / Local Plan allocation (if applicable)	<p>The Lambeth Local Plan (September 2015) supports the conversion of railway arches in Lambeth to provide 'active frontages' through Policy ED5 and the provision of leisure uses in town centres through Policy ED7.</p> <p>The London Plan (March 2015), Waterloo Opportunity Area Planning Framework (GLA, 2007) and the Waterloo Area SPD (April 2013) all seek to promote Waterloo as a central London destination where a wide mix of uses (including cultural and leisure uses) that contribute to its vitality and vibrancy are acceptable.</p> <p>An application (LB Lambeth ref: 15/04714/FUL) for change of use of the arches was submitted to LB Lambeth on 18 August 2015. The site was handed over to LCR's contractors ITC Concepts on 5th September with works commencing formally on 19th September, effectively implementing the permission.</p>
Contamination /	Contamination risk was investigated as part of a general Ground

Environmental Issues (if applicable)	Investigation undertaken in February 2016. No asbestos was found in the ground and there were no significant levels of any of the contaminants that were tested for.
<b>6. Consultations</b>	
Railway (internal – Network Rail)	See comments relating to clearance in paragraph 1.
Summary of position as regards external consultations	<p>(Post consultation comment). Following a fourteen day consultation period commencing on 12 April there were 25 consultees, with 22 responses, which were no comment no objection or OK. 3 Consultees did not respond after 3 e-mails. These were Grand Central Railway Company Limited, COLAS Freight and London Borough of Lambeth. The consultation was undertaken on the basis that the intention was to either rely on the general consent or to apply for consent.</p> <p>Following negotiations with DfT the lease will not include a materially unfettered termination right in favour of Network Rail because this does not meet the DfT's investment requirements. Although Network Rail will be entitled to terminate the lease where necessary for the purposes of its undertaking and on giving not less than 12 month's notice, it will when giving that notice have to provide a Certificate from the Secretary of State for Transport confirming that the premises are required for the purposes of NR's undertaking. Because this would amount to a fetter on the ability to terminate the lease Network Rail seeks consent from the ORR to the disposal.</p>
Analysis of any unresolved objections together with recommendation by Network Rail as regards a way forward	(Post consultation comment). There are no unresolved objections following the consultation.
<b>7. Local Authorities</b>	
Names & Email Addresses:	London Borough of Lambeth sustainabletravel@lambeth.gov.uk
Local Transport Authorities:	Tfl
Other Relevant Local Authorities:	GLA City Hall, The Queen's Walk, London SE1 2AA

## 8. Internal Approval

<b>Recommendation:</b>	Based on the above, I recommend / authorise that Network Rail proceeds with the disposal.	
<b>Declaration:</b>	I have read and understood Network Rail's Code of Business Ethics and Policy on Interests in Transactions.	
Surveyor Name:		
Approved by Property Services Manager	Name:	Date Approved by PSM:



100416

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LAMBETH

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GRANBY

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Health

Munro House

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# CONSULTATION REPORT

relating to

## PROPOSED LAND DISPOSAL

This report is provided as a supplement to our forms for the proposed disposal of land at: Leake Street, Waterloo station.

Site location and description: Waterloo station, Leake Street, London. SE1 7NN. The proposal involves the disposal of airspace contained within the structures and arches of a part of Waterloo station by way of a lease to Secretary of State for Transport.

We have consulted in relation to this evaluation, and summarise the results of this as follows:

Summary of position regarding responses: There were 25 consultees, with 22 responses, which were no comment no objection or OK. 3 Consultees did not respond after 3 e-mails. These were Grand Central Railway Company Limited, COLAS Rail and London Borough of Lambeth. The consultation was undertaken on the basis that the intention was to either rely on the general consent or to apply for consent. Following negotiations with DfT the lease will not include a materially unfettered termination right in favour of Network Rail because this does not meet their investment requirements. It is for this reason that Network Rail seeks consent to the disposal.

The full list of external consultees is set out below:

No.	External party (name)	Contact name, email address and telephone	Whether response received (y/n)	Date of response	Details of response (e.g. “no comment”), with reference to any accompanying copy representation in annexes to this report	Comments (e.g. as regards endeavours to obtain response where none given)
1	Department for Transport		Y	20/04/2016	No Comment	
2	Arriva Trains Cross Country		Y	12/04/2016	No Comments	
3	c2c Rail Limited		Y	12/04/2016	No Comment	
4	Chiltern Railway Company Limited		Y	12/04/2016	No Comments	
5	Eurostar International Limited		Y	12/04/2016	No Issue	
6	First Great Western Limited		Y	27/04/2016	No Objection	

**Land disposal consultation report**

**V 1.1**

7	Grand Central Railway Company Limited		N			No response to follow up emails
8	London & South Eastern Railway Limited (Southeastern)		Y	12/04/2016	No Comments	
9	Merseyrail Electrics 2002 Limited		Y	18/04/2016	No Comments or Objections	
10	Northern Rail Limited,		Y	14/04/2016	No Objection	
11	COLAS Rail		N	14/01/2016	No Objection	No response to follow up emails
12	Direct Rail		Y	25/04/2016	No Comments	
13	DB Cargo UK Ltd		Y	04/05/2016	No Objection	
14	Freight Transport Association		Y	27/04/2016	No Comment	
15	Freightliner Limited		Y	12/04/2016	No Comments	
16	GB Railfreight Limited		Y	12/04/2016	No Issues	
17	Rail Freight Group		Y	12/04/2016	OK with RFG	

## Land disposal consultation report

V 1.1

18	West Coast Railway Company		Y	28/04/2016	No Comments	
19	W H Malcolm		Y	12/04/2016	No Comments	
20	Association of Community Rail Partnerships		Y	13/04/2016	No Comments	
21	British Transport Police		Y	18/04/2016	No Comments	
22	London Travelwatch		Y	22/04/2016	No Objection	
23	Transport for London		Y	27/04/2016	No Comments	
24	London Borough of Lambeth		N			No response to follow up emails
25	Stagecoach South Western Trains		Y	05/10/16	No comment	

Copies of responses are given in the annexes to this report, as indicated above.

A copy of the consultation request (before customisation for any individuals) is given in Annex 2

**1. Department for Transport**

the Department has no comment on this proposal.

Regards,



Network Services North - Rail Group

4/28, GMH, Great Minster House

33 Horseferry Road, London, SW1P 4DR

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**2. Cross Country Trains**

XC Trains Ltd has no comment on this proposed land disposal.

Kind regards

CrossCountry

Address: 5th Floor, Cannon House, 18 The Priory Queensway, Birmingham, B4 6BS

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**3. C2c Rail/National Express Group**

On behalf of National Express Group and NXET Trains Limited, I confirm that we have no objections to the proposed disposal

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**4. Chiltern Railways**

There are no comments from Chiltern Railways.

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**5. Eurostar International**

No issue for EIL,

Thanks,

Eurostar International Limited

Times House | Bravingtons Walk | London N1 9AW

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**6. Great Western Railway**

We have no objection thank you.

Great Western Railway

1 Milford Street | Swindon | SN1 1HL

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**7. Grand Central Railway Company Limited**

No response.

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**8. London & Southeastern Railway**

Good Afternoon

Thank you for the opportunity to review the below.

I can confirm that Southeastern has no comment on this proposal.

Kind Regards

southeasternrailway.co.uk  
southeastern  
Friars Bridge Court  
41-45 Blackfriars Road  
London, SE1 8NZ

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**9. Merseyrail**

Hi

I can confirm that Merseyrail have no comments or objections to the above proposal.

Regards,  
Merseyrail

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**10. Northern Rail**

Northern has no objection to the land disposal at Leake Street, Waterloo.

Kind regards

Northern House  
York  
YO1 6HZ

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**11. COLAS Rail**

No response

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**12. Direct Rail services**

DRS have no comments.

Kind regards,

Direct Rail Services,  
Regents Court,  
Baron Way,  
Carlisle CA6 4SJ

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**13. DB Cargo (UK) Ltd.**

I can confirm that DB Cargo (UK) Limited has no objection to the proposed land disposal as described.

Yours,

DB Cargo (UK) Ltd  
310 Goswell Road  
London  
EC1V 7LW

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**14. Freight Transport Association**

Apologies FTA has no comment.

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**15. Freightliner**

No comment from Freightliner

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**16. GB Railfreight**

GB Railfreight has no issues with this.

Regards,

GB Railfreight Ltd.,  
3rd Floor,  
55 Old Broad Street,  
London, EC2M 1RX.  
GB Railfreight Ltd. Registered in England & Wales No. 03707899.  
Registered Office: 3rd Floor, 55 Old Broad Street, London, EC2M 1RX.

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**17. Rail Freight Group**

Ok with RFG

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**18. West Coast Railway**

no comments

WCR

E @aol.com

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**19. W. H. Malcolm**

No comments.

Regards.

Malcolm Group, Block 20, Newhouse Industrial Estate, Old Edinburgh Road, Newhouse, North Lanarkshire, ML1 5RY

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**20. Association of Community Rail Partnerships**

ACoRP have no comment to make on this disposal.

Regards  
ACoRP

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**21. British Transport Police**

Having been involved in the initial project consultation for this particular development of Leake Street, I am happy to report that I have no issues regarding the Land Disposal for the designated units so long as the safety and security of the railway infrastructure is always paramount and never compromised.

Kind Regards.

Wessex/Sussex/SW London  
British Transport Police  
Force Headquarters  
Crime Reduction Unit  
B Division South  
Fifth Floor  
25 Camden Road  
London NW1 9LN

DX151960 Camden 4  
BTP Email: [www.btp.police.uk](http://www.btp.police.uk)

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**22. London Travelwatch**

London TravelWatch has no objection to the aforementioned proposal.

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**23. Transport for London**

TfL has no comment on this property disposal.

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**24. London Borough of Lambeth**

No response

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**25. South West Trains**

With reference the above consultation in respect of the disposal of internal airspace at Waterloo station, on behalf of Stagecoach South Western Trains Ltd 'No Comment'

Stagecoach South Western Trains / East Midlands Trains

Head Office:

SSWT, Friars Bridge Court, 41-45 Blackfriars Road, London SE1 8NZ

EMT, Prospect House, 1 Prospect Place, Millennium Way, Pride Park, Derby DE24 8HG.

Stagecoach Rail: 10 Dunkeld Road, Perth PH1 5TW

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### Annex 2 – Network Rail’s consultation email

Subject: Waterloo, Leake Street

Dear Consultees,

We seek to consult you as regards your views, please, on our proposed disposal of the internal airspace contained within the structures at Waterloo station close to Leake Street and Park Plaza County Hall.

We attach a draft application form which, with its related plans and attachments, explains the proposal in detail.

To date Network Rail has not been able to identify any reasonably foreseeable railway related use for the proposed disposal area for the following reasons:

- There is no impact on current railway related proposals.
- The proposal does not adversely affect the potential for future railway use.

Therefore (and subject to stakeholder comments) we are currently minded to treat this disposal as one that falls within ground (c)(i) of the general consent mechanism, in that a lease of all or part of a building as long as the planned use of that building would not have a reasonably foreseeable adverse effect on, or in connection with, services related to railways.

We request your comments on this proposed disposal by 26th April 2016 (including any “no comment” response). It would be particularly helpful if your response could indicate whether you believe that the proposed disposal area has any reasonably foreseeable railway related or other public transport use that has not been identified by Network Rail which may mean that ground (c)(i) should not apply.

Following this consultation and having considered any comments that are received we will decide whether or not to proceed with this disposal. As previously stated we are currently minded to treat this disposal as one falling within the general consent mechanism. However, subject to stakeholder comments we may decide to submit a formal application to ORR for consent to dispose under the terms of our network licence land disposal condition. If we decide to make a formal application to ORR we will, in accordance with ORR’s regulatory arrangements for land disposal send you a notification of our application in due course.

If you have any queries as regards this proposal, please contact myself using the contact details at the foot of this email.

If future consultations of this nature should be directed differently to your organisation, please advise us of the appropriate contact details, so we may amend our records.

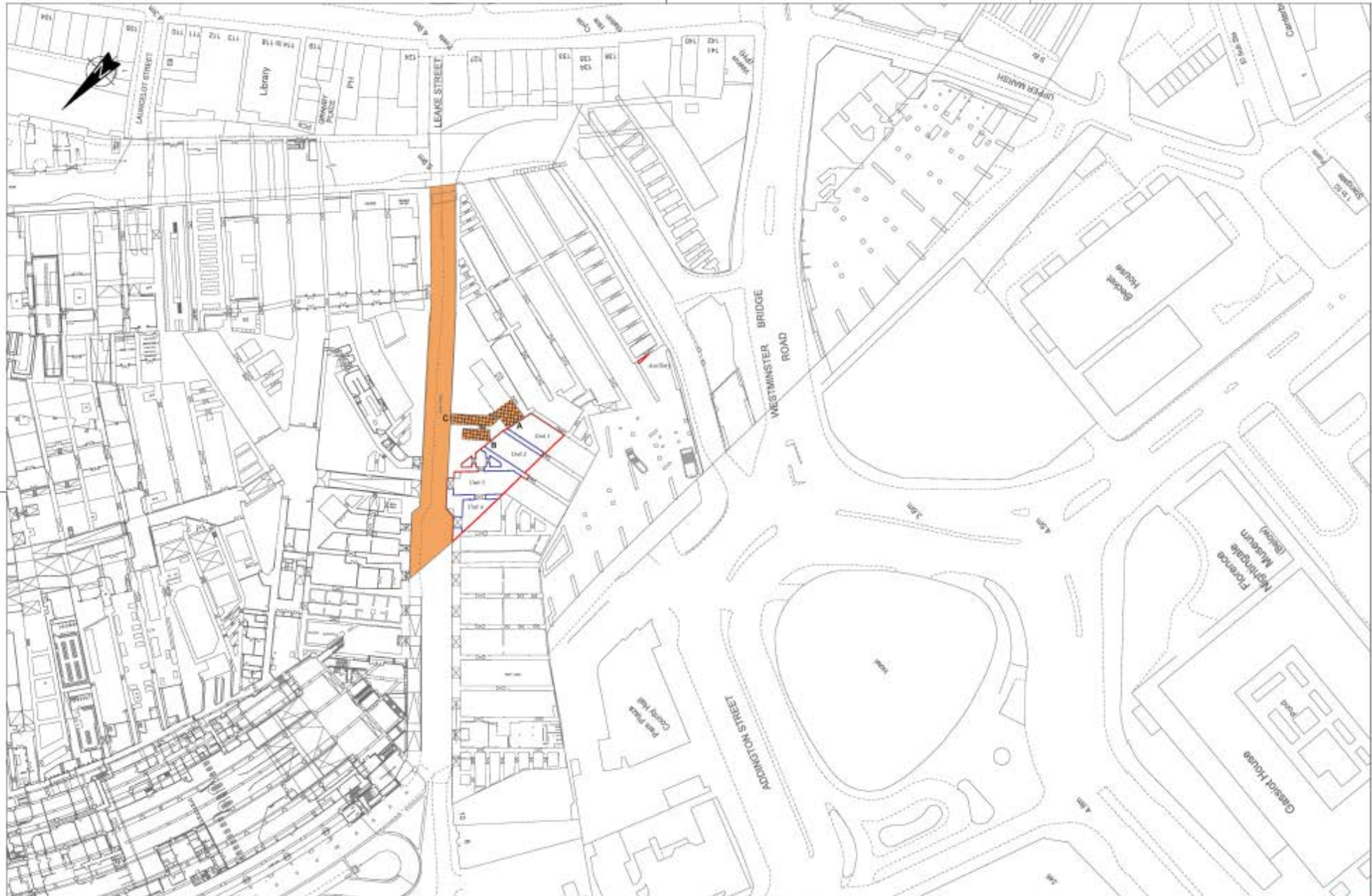
Kind Regards



[www.networkrail.co.uk/property](http://www.networkrail.co.uk/property)



# Annex B: Additional information supplied by Network Rail



No.	Description	Issue	Checked	Approved

**Notes**  
 1. This plan has been produced in compliance with the RIBA Practice Guide No. 1. It should be used when approving this plan from a PDF or reading where applicable.

Legend	
<span style="border: 1px solid red; display: inline-block; width: 15px; height: 10px;"></span>	Lease Demarcation Boundary
<span style="border: 1px solid blue; display: inline-block; width: 15px; height: 10px;"></span>	Supporting Structure excluded from Leases
<span style="background-color: orange; display: inline-block; width: 15px; height: 10px;"></span>	Access Rights
<span style="border: 2px dashed orange; display: inline-block; width: 15px; height: 10px;"></span>	Emergency Exit and Service Access Rights

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London & Continental Railways Limited  
 4th Floor, One Pancake Court  
 London EC2A 4PH  
 Telephone: 020 7391 4333  
[lcr.londonrail.net](http://lcr.londonrail.net)

**Drawing Title**  
 WATERLOO STATION  
 ARCHES LEVEL  
 CAR PARK A LEASE  
 NR FREEHOLD

Issue	Checked	Approved
01		
02		

DRAFT

Date: 31 March 2018  
 Drawing No: LCR-BCB-006-00009  
 Scale: A1  
 No: 02