

UPDATE REPORT, DEVELOPMENT COMMITTEE. 24TH January 2019

Agenda item no	Reference no	Location	Proposal / Title
5.1	PA/16/0367 And PA/16/03658	767-785 Commercial Road, E14 7HG	PA/16/03657 – Application for planning permission: Demolition of 767 & 785 Commercial Road (behind retained facade). Mixed-use redevelopment to provide 2,558 m2 of Class B1(a) offices within 777-783 Commercial Road, 134-rooms of communal living accommodation and associated facilities (sui generis) at 769–775 & 785 Commercial Road and 252 m2 of Class B1(a) offices and 9 self-contained Class C3 residential flats at 767 Commercial Road. PA/16/03658 - Connected application for listed building consent for works to 777-783 Commercial Road – Grade II.

1.0 UPDATES TO REPORT

ADDITIONAL REPRESENTATION FROM WARD COUNCILLORS

- 1.1 An objection dated 22nd January has been received from the following four ward councillors:

Cllr James King - Limehouse Ward
Cllr David Edgar - Mile End Ward
Cllr Asma Islam - Mile End Ward
Cllr Puru Miah - Mile End Ward

- 1.2 Councillors object to the lack of affordable and social housing in the application and believe the development does not comply with the following development plan policies that set out the requirement for the need for developments to have a mix of affordable and social housing:

- London Plan 2016: Policies 3.3, 3.8, 3.9, 3.12, 3.13
- LBTH Core Plan 2010: SP02
- LBTH Emerging Core Plan 2019: Policies D.H2 and D.H7

- 1.3 Councillors request that Development Committee defers making a decision until the council can conduct its own viability report. This exercise would either corroborate the viability report presented by the applicant and allow the

development to move forward, or it could find provision for much needed social housing to be developed in the area.

Officer comment

- 1.4 Section 10 paragraphs 10.44 to 10.55 of the Committee Report address 'Affordable Housing' and identify applicable development plan policies together with policy in the Mayor's 'Housing' SPG 2016 and paragraph 4.18.7 of the Draft London Plan 2018 that confirm large scale purpose built shared living accommodation is required to contribute to affordable housing (by cash in lieu contributions) but is not considered suitable as a form of affordable housing itself. Government policy within the NPPF is also identified.
- 1.5 Policy stipulates that the amount of affordable housing that a scheme can afford is subject to viability.
- 1.6 Paragraph 10.50 of the Committee Report explains that the Applicant initially claimed that it is not viable to provide any affordable housing due to the substantial costs involved with the redevelopment of the site including the refurbishment and restoration of the Grade II 'At Risk' listed buildings.
- 1.7 The Applicant's Viability Appraisal was independently examined by GVA acting for the Council. Paragraph 10.53 of the Committee Report explains that GVA initially concurred that the development costs, particularly restoring the listed buildings, meant the scheme could not sustain an affordable housing contribution. It is reported that GVA's appraisal of the revised scheme calculates the scheme would generate £1.17 m **excess profit** (above and could afford an affordable housing (three Class C3 units) in the western corner site.
- 1.8 Paragraph 10.54 of the Committee Report also explains that GVA (the Council's viability consultant) has also assessed an 'Alternative Residential Feasibility Scheme' that substitutes conventional dwellings for the proposed large scale HMO. GVA concluded that the level of profit (circa £8,400,000) generated from conventional housing "*is below our profit threshold for the scheme*".
- 1.9 NPPF paragraph 202 advises that:

"Local planning authorities should assess whether the benefits of a proposal for enabling development, which would otherwise conflict with planning policies but which would secure the future conservation of a heritage asset, outweigh the disbenefits of departing from those policies."
- 1.10 In this case, Officers advise that the costs of restoring the 'At Risk' Grade II listed buildings means that the three affordable housing units offered is the maximum contribution that the scheme can viably provide.

2 RECOMMENDATION

21. Officer recommendation remains that planning permission and listed building consent should be GRANTED for the reasons set out in the main report.