

Committee OVERVIEW AND SCRUTINY	Date 8th January 2008	Classification Unrestricted	Report No.	Agenda Item No. 6.1
Report of: Emma Peters Corporate Director – Development & Renewal Originating Officer(s): Kweku Quagraine		REPORT “CALLED IN” – 2 Gladstone Place: Granting of Development Lease Ward(s) affected: Bow East		

1. SUMMARY

- 1.1 The attached report of the Corporate Director of Development & Renewal was considered by the Cabinet on the 5th of December 2007, but has been “Called In” for further consideration by Councillors Marc Francis, Alibor Choudhury, Lutfur Rahman, Alex Heslop and Carli Harper Penman. This is in accordance with the provisions of Part four of the Council’s Constitution.

2. RECOMMENDATION

- 2.1 That the Committee consider the contents of the attached report, review the Cabinet’s provisional decisions arising and decide whether to accept them or refer the matter back to Cabinet with proposals, together with reasons.

Local Government Act, 1972 Section 100D (As amended) List of “Background Papers” used in the preparation of this report

Brief description of “background paper”

Cabinet report

Name and telephone number of holder
and address where open to inspection

Kweku Quagraine
020 7364 4877

3. BACKGROUND

- 3.1 This report outlines the status of discussions between the Council and Reef Estates Ltd. in securing the granting of a development lease for 2 Gladstone Place, the former Morrisons supermarket and associated car park. It recommends that the existing lease be surrendered and that a new lease granted to protect the Council's current rental income level and permit private and affordable residential use as well as new retail provision including a new food shop to provide for the everyday needs of people in the area.

4. DECISIONS OF CABINET

- 4.1 To authorise the Interim Service Head – Asset Strategy, Capital Delivery & Property Services after consultation with the Assistant Chief Executive (Legal Services) and Lead Member for Resources to agree final terms in accordance with the principles set out in Section 4 of the report (CAB 086/078) and to grant a development lease to Reef Estates Limited.

Action by:

CORPORATE DIRECTOR DEVELOPMENT & RENEWAL (E. PETERS)

Service Head –Major Project Development (O. Whalley)

5. THE “CALL IN” REQUISITION

Safeways on Roman Road has been closed since November 2005. There is no other major supermarket in the area, as a consequence local residents have been forced to travel long distances to Supermarkets in Bethnal Green, Bromley-by-Bow and Stratford, or pay inflated prices in the local convenience stores. Older pensioners and young mums have been particularly affected, but the supermarket's closure has also undermined the local Economy contributing to the very high rates of vacancy on both shops and market pitches.

The site of the former supermarket is currently designated solely for general retail use and ancillary car parking purposes, not only under the terms of the planning agreement, but also under the lease itself. This means that residential accommodation is prohibited on the site under the lease as well as under planning control.

The proposed redevelopment of the site by Reef Estates Ltd/Goldquest involves not only a very welcome retail unit on the ground floor and basement but also residential above. This ranges from ten storeys within a tower block on the north west corner of the site to between four and seven storeys on the remainder.

A public meeting held in St Paul's Church to discuss this proposed redevelopment revealed widespread local concern about the height and massing on the proposed residential blocks within the development. In particular, as Roman Road market is a conversation Area, residents have expressed the view that the residential units on the south of the site should rise no higher than the surrounding houses on Cardigan Road and the maisonettes in Cruden House and Dornoch House.

While Reef Estates has previously made some concessions on the height of its development, it is not yet clear whether the formal planning application will take on board local residents concerns.

The inclusion of residential units within this development requires a change to the terms of the lease as well as a change of use under planning. The ownership of the freehold interest on this site therefore has the potential to give the London Borough of Tower Hamlets a very strong influence on the use of this site.

At its last meeting, the Cabinet authorised the Interim Service Head of Asset Strategy, Capital Delivery & Property Services to agree final terms on the lease rearrangements. These rearrangements include surrounding the current lease and granting a replacement for a term of 150 years that allows residential as well as retail uses.

While the final assignment of the lease is not due to take place until after the development is completed, this pre-agreement would fundamentally undermine the council's negotiating position on the planning application itself. The Cabinet decision was made the night before the public meeting and so members will not have been aware of the full extent of public concern about this issue at that time.

The Call-in members believe that the decision to authorise agreement of final terms on the lease arrangements is precipitate and that Cabinet authorisation should be

withheld for a period of three months or until a planning application is submitted that appears likely to enjoy the support of local residents.

6. ALTERNATIVE COURSE OF ACTION

This item should be re-presented to Cabinet, along with a summary of the views of local residents on the proposed redevelopment, details of the planning requirements of the Roman Road Conservation Area, a further update on the progress of the formal planning application and a full explanation of why LBTH is in a stronger negotiating position than is usual with a developer.

Cabinet should withhold authorisation for the Interim Service Head of Asset Strategy, Capital Delivery & Property Services to agree final terms on the lease rearrangements for a period of three months or until a planning application is submitted that appears likely to enjoy the support of local residents.

7. CONSIDERATION OF THE “CALL IN”

7.1 The following procedure is to be followed for consideration of the “Call In”.

- (a) Presentation of the “Call In” by one of the “Call In” Members followed by questions.
- (b) Response from the Lead Member/officers followed by questions.
- (c) General debate followed by decision.

N.B. – In accordance with the Overview and Scrutiny Committee Protocols and Guidance adopted by the Committee at its meeting on 6 June, 2007, the “Call In” Members are not allowed to participate in the general debate.

7.2 It is open to the Committee to either resolve to take no action which would have the effect of endorsing the original Cabinet decisions, or the Committee could refer the matter back to the Cabinet for further consideration setting out the nature of its concerns and possibly recommending an alternative course of action.

8. RECOMMENDATION

8.1 That the Committee consider the contents of the attached report, review the Cabinet’s provisional decisions arising and decide whether to accept them or refer the matter back to Cabinet with proposals, together with reasons.