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**Application for Planning Permission**

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<b>Reference</b>	PA/20/00557
<b>Site</b>	Land bounded by 2-10 Bethnal Green Road, 1-5 Chance Street (Huntingdon Industrial Estate) and 30-32 Redchurch Street
<b>Ward</b>	Weavers
<b>Proposal</b>	<p>Demolition of the existing buildings, excluding the façade of 30-32 Redchurch Street, and redevelopment to provide a mixed-use development within a single building rising to three, seven and nine storeys maximum AOD height circa 56m comprising office (up to 14,393 sqm of B1(a)) floorspace, up to 1,444 sqm flexible commercial floorspace (B1(a)/B1(c)), and up to 1,181 sqm flexible retail floorspace (Use Class A1 and A3) along with servicing facilities, cycle parking, vehicle parking and associated works.</p> <p>This application is accompanied by an Environmental Statement.</p>
<b>Summary Recommendation</b>	Grant planning permission subject to conditions and a legal agreement
<b>Applicant</b>	UKI (Shoreditch) Limited
<b>Architect/agent</b>	DP9 Limited
<b>Case Officer</b>	Tanveer Rahman
<b>Key dates</b>	Application validated 29/05/2020 Public consultation finished on 10/04/2021

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**1. BACKGROUND**

- 1.1 This application was considered by the Strategic Development Planning Committee on 20 April 2021. A copy of the original report is appended.
- 1.2 As set out in the draft minutes of the meeting, the Committee expressed concern that the public benefits of the scheme did not outweigh the less than substantial harm identified to heritage assets, as required by paragraph 196 of the NPPF (2019). Members deferred the application for further consideration of the affordable workspace arrangements and potential for public realm improvements to Redchurch Street.
- 1.3 The application was therefore deferred by Members to allow Officers and the applicant to negotiate on these two requirements.

**2. CONSIDERATION OF THE COMMITTEE'S REASONS FOR DEFERRAL**

**Affordable Workspace**

- 2.1 The Council's Local Plan policy requires a minimum of 10% of the employment floorspace to be provided at 10% below market rates for at least 10 years. The London Plan requires affordable workspace to be provided for 15 years.

#### Establishing an annual market rental rate

- 2.2 Market rates in the locality vary based on a range of factors including the type and quality of space and proximity to transport nodes. For example, office space at the neighbouring Tea Building is currently being marketed at £65/sqft. This office space contains large areas with ceiling heights of up to 6.4m. In comparison, the affordable workspace in the proposed building would have ceiling heights of predominantly 3.1m at basement level and 3.7m at ground floor level, with a relatively small 95sqm area of floorspace at lower ground level having a ceiling height of 7.2m.
- 2.3 Market rate office space at 13 Boundary Street which is approximately 70m north west of the site is currently being marketed at £55/sqft. In comparison, the affordable workspace in the proposed building would be larger in area and slightly closer to Shoreditch High Street Station and Liverpool Street Station, therefore potentially giving it a slightly higher rate.
- 2.4 Based on this information and advice from the Director for Growth and Economic Development, Officers are of the view that a realistic market rate for the floorspace that is proposed to be affordable would be £55 - 60/sqft annually.

#### Proposed affordable workspace rental rates

- 2.5 Based on the estimated £55 - 60/sqft range Officers have negotiated the following:
- A capped rent of £35/sqft (together with the appropriate indexation) on the lower ground floor Affordable Workspace for 15 years (representing an estimated 36 - 42% discount). The space would then revert to a 10% discount for the remaining life of the development
  - A capped rent of £45/sqft (together with the appropriate indexation) on the ground floor Affordable Workspace for 15 years (representing an estimated 19-25% discount). The space would then revert to a 10% discount for the remaining life of the development

#### Proposed affordable workspace delivery strategy

- 2.6 A delivery strategy has been negotiated which will ensure the proposed affordable workspace would be attractive to a workspace provider and that costs associated with fit out are absorbed and not passed on to future occupiers. The strategy would comprise the following:
- Fit out the lower ground floor to serve as 'maker space', as opposed to solely shell and core space. Details would be submitted in an Affordable Maker Space Strategy prepared in partnership with an appropriate Affordable Workspace Operator. For example, this could include a set of resources that support maker space enterprises (such as provision for a shared 3D printer facility, provision of acoustic insulated room/studio space etc.).
  - Requirement for the Affordable Workspace Operator to engage with New City College and other local Further Education colleges to allow students to rent space or at a minimum to give them opportunity to see first-hand the activities that take place in the Affordable Workspace and establish an internship and apprenticeship programme for the students with microbusinesses operating from the space.
  - A review on the £35/sqft rental rate of the lower ground floor Affordable Workspace if the space remains unoccupied after 6 months of the finished workspace being marketed.
  - Ground floor to be fitted to a 'Category A' specification (shell and core).
  - Marketing strategy with first refusal for microenterprises operated by existing Tower Hamlets Council Tax or Business Rate payees.
  - Secure all workspace for microbusinesses (under 10 staff and under £660,000 turnover).

## **Public realm improvements to Redchurch Street**

- 2.7 Officers have had discussions with the Director of Public Realm and are of the view that contributions could be sought towards a strategy for potential upgrades to the wider public realm of Redchurch Street. The public realm improvements would contribute to enhancement of the Redchurch Street Conservation Area and the setting of the grade II listed public house. The improvements would assist in mitigating some of the impacts on the beer garden by providing a more attractive area for potential for outdoor refreshment subject to appropriate licensing. The proposed contributions would be structured as follows:
- £50,000 to be paid to the Council within 12 months of a consent being granted to fund a scoping report for a public realm improvements strategy for Redchurch Street which would identify which part of the Public Realm Team's strategy the £250,000 listed below could fund.
  - £250,000 to be paid to the Council within 12 months of a full decision being issued, to fund works identified in the Scoping report. These works could for example include the widening of the footway on Redchurch Street adjacent to the Owl and Pussycat Public House and include areas for seating to the front on the public house.

## **Compatibility with Regulations for Planning Obligations**

- 2.8 Regulation 122 of The Community Infrastructure Levy Regulations 2010 applies to planning obligations secured under Section 106 of the 1990 Act. Paragraph (2) of Regulation 122 states that an obligation may only constitute a reason for granting permission if it is:
- (a) necessary to make the development acceptable in planning terms;
  - (b) directly related to the development; and
  - (c) fairly and reasonably related in scale and kind to the development.
- 2.9 The proposed obligations for affordable workspace and public realm enhancements are deemed to meet the tests in Regulation 122, considering the site-specific circumstances and local context of the development and the material considerations identified by officers and the committee.

## **3. PLANNING BALANCE**

- 3.1 The Committee report noted that the application proposals would result in less than substantial harm to designated heritage assets, namely the Grade II listed 34 Redchurch Street, the Redchurch Street Conservation Area and the South Shoreditch Conservation Area.
- 3.2 At paras 7.325 to 7.328, the report weighed this harm against the identified public benefits of the scheme as required by paragraph 196 of the NPPF. The report advised the committee that the harm to heritage assets would be outweighed by the public benefits of the proposed development, including planning obligations to be secured in a legal agreement.
- 3.3 The amendments to the scheme set out in section 2 above constitute additional public benefits that will be delivered by the application proposals. For completeness and to aid committee decision making a revised recommendation that consolidates all planning obligations and conditions is set out in this report.
- 3.4 The revised affordable workspace offer would go beyond the previous in terms of the discounts offered, and additionally would be beyond the minimum policy requirement set out in Policy D.EMP2 of the Local Plan in terms of both the level of market discount, the duration of the offer and the strategy for delivery of the space.
- 3.5 The public realm improvements, whilst not finalised at this stage, would not only result in an improved streetscape and environment for pedestrians and the local community but would also result in improvements to the setting of the Grade II listed 34 Redchurch Street and the Redchurch Street Conservation Area. It is noted that both the setting of the listed building and the character and

appearance of the Conservation Area were adjudged to be negatively impacted by the proposals and as such the proposed public realm improvements on Redchurch Street would go towards mitigating the identified harm.

- 3.6 Taken together with the public benefits noted in the original report - namely the increase of employment floorspace and employment jobs as well as the benefits to the local economy and residents during the construction process – its considered that these public benefits would outweigh the less than substantial harm to designated heritage assets and, therefore, the proposals would comply with the provisions of paragraph 196 of the NPPF.

#### 4. RECOMMENDATION

- 4.1 Resolve to **GRANT planning permission** subject to the prior completion of a legal agreement to secure the following planning obligations

##### Financial Obligations

- a. **£68,032.00** towards construction phase employment skills training
- b. **£411,160.60** towards end-user phase employment skills training
- c. **£363,758.04** towards carbon off-setting
- d. **£50,000** towards public realm improvements scoping report
- e. **£250,000** towards public realm improvements works
- f. **£1,000** per heads of term

##### Non-Financial Obligations

- g. Economic incentives
  - i. Access to employment
  - ii. 20% local procurement
  - iii. 20% local labour in construction
  - iv. 10 construction phase apprenticeships, at a minimum of level 2
  - v. 4 end-user phase apprenticeships
  - vi. Capped £35/sqft annual rental on lower ground floor Affordable Workspace for 15 years then 10% discount for the life of the development.
  - vii. Capped £45/sqft annual rental on the ground floor Affordable Workspace for 15 years then 10% discount for the life of the development.
  - viii. Approval of detailed Affordable Workspace Strategy prior to the completion of the construction phase of the development).
- h. Transport matters:
  - i. Non-residential Travel Plans
  - ii. S278 Agreement (highways work to Bethnal Green Road and Ebor Street)
  - iii. Booking scheme for disabled parking bay
  - iv. TRO works to Ebor Street
- i. Compliance with Considerate Constructors Scheme

##### Planning Conditions

The conditions apply to each phase of the proposed development, insofar as they are relevant to that phase.

##### Compliance

- 1. Timeframe - 3 years deadline for commencement of development
- 2. Plans - Development in accordance with approved plans
- 3. Air Quality – Emission standards for boilers & CHP
- 4. Construction restrictions on demolition and construction activities:
  - i. All works in accordance with Tower Hamlets Code of Construction Practice;
  - ii. Standard hours of construction and demolition
  - iii. Air quality standards for construction machinery
  - iv. Ground-borne vibration limits

- v. Noise pollution limits.
- 5. Energy – Energy and efficiency standards
- 6. Land Use – All Class A1, A1/A3, B1a/B1c and B1a floorspace shall be maintained as employment floor space for the lifetime of the development
- 7. Noise standards from mechanical plant and equipment
- 8. New SUDS scheme required.
- 9. Demolition to take place outside of bird breeding season.
- 10. Installation of obscure glazing on the east elevation
- 11. Daytime limits to access to terraces

#### Pre-commencement

The inclusion of the following pre-commencement conditions has been agreed in principle with the applicants, subject to detailed wording

- 12. Archaeology - evaluation to clarify the nature and extent of surviving remains, followed by a full investigation if necessary
- 13. Façade retention survey and strategy
- 14. Biodiversity – Mitigation and Enhancement
- 15. Demolition and Construction Environmental Management Plan and Construction Logistics Plan
- 16. Energy - Zero Carbon Futureproofing Statement
- 17. Land Contamination - Ground Investigation analysis and risk assessment, remediation strategy, baseline monitoring, maintenance and mitigation plan
- 18. Approval of Circular Economy Strategy
- 19. Lifecycle

#### Pre-superstructure works

- 20. Air Quality - Details of flue emissions
- 21. Design - Details of external facing materials and architectural detailing.
- 22. Design - Details of landscaping
- 23. Highways – Details of cycle parking
- 24. Car parking management strategy
- 25. Delivery, Servicing and Waste Management Plan
- 26. Noise - Operational noise impact assessment and mitigation (plant and machinery etc)
- 27. Odours – Details of kitchen extracts
- 28. Air Quality - Emission Standards for Boilers & CHP
- 29. Secured by Design accreditation
- 30. Wind mitigation measures for seating on the corner balconies of the fifth, seventh or ninth floors comprising shrubs in planters (1.5m in height) or solid screens (1.5m in height)
- 31. Landscape strategy
- 32. Photovoltaic layout
- 33. Water - Details that all water network upgrades required to accommodate the additional flows to serve the development have been undertaken
- 34. Drainage – new surface water drainage scheme required
- 35. Obscure glazing – To prevent overlooking from proposed first and second floor east elevation windows towards neighbours to the east.

#### Prior to occupation

- 36. Energy - Post construction energy assessment including 'as built' calculations
- 37. Energy – BREEAM Certificate 'Excellent' rating
- 38. Land Contamination – Verification report
- 39. Water infrastructure - Piling

#### Post-occupation

- 40. 'Be seen' energy monitoring

#### **Informatives**

- 1. Permission subject to legal agreement.

2. Development is CIL liable.
3. Thames Water - proximity to assets.