

# Delegated Report

**Officer**

David Fowler

**Application Number(s)**

2019/2238/P

**Application Address**

Camden Town Hall  
Judd Street  
London  
WC1H 9JE

**Proposal(s)**

1. Variation to the Shadow Section 106 Agreement relating to planning permission (Ref: 2019/2238/P), namely, to modify the obligation relating to the provision of affordable workspace and to update the energy and sustainability provisions; and
2. Enter into a S106 Agreement with the new leaseholder simultaneously with them entering into a lease with the Council as a landowner.

**Recommendation(s):**

**To amend the shadow Section 106 Agreement and enter into a new Section 106 Agreement with new tenant of the building**

## Site Description

The Town Hall is grade II listed. It is located within the King's Cross St Pancras Conservation Area. To the south is the adjacent Bloomsbury Conservation Area. The site has an area of 3,704sqm. The property was previously fully occupied by Camden Council, but planning permission and listed building was granted for change of use of part of the building to provide office space and works to facilitate that change of use and refurbish the building are underway.

## Relevant History

2019/2238/P – Permission granted for “Part change of use of the Camden Town Hall from Sui Generis at (part) basement, second and third floors to office use (B1), and the change of use of the Camden Centre from Sui Generis (Town Hall) to events use (D2). Retention of Sui Generis (Town Hall) uses at ground, first floor and part basement.

External physical works to include the demolition of the 3rd floor conservatory and replacement infill pavilion, demolition of 1960s Euston Road entrance, covering over three lightwells at roof level, opening up for two new doorways on Bidborough Street and two new doorways on Tonbridge Walk, works to the Judd Street entrance, refurbishment of windows, cleaning and facade repairs, new roof plant, public realm improvements, new on street loading bay and other associated works.”

Dated 20/12/2019.

## Relevant policies

### NPPF 2023

### London Plan 2021

### Camden Local Plan 2017

- G1 Delivery and location of growth
- E1 Economic development
- E2 Employment premises and sites

## Assessment

### 1. Background

2. As the Council was the freehold landowner of the land subject to planning permission reference 2019/2238/P, they were required to enter into Shadow S106 Agreement with the Council as a local planning authority, to ensure that the development is bound by the required planning obligations. As part of the Shadow S106 Agreement, the Council as a landowner is prevented from disposing of its interest in the land without first ensuring that the new owner enters in the S106 Agreement with the local planning authority on the same terms as those set out in the Shadow S106 Agreement.
3. The Council in its capacity as a landowner is currently in the process of granting a 30 year lease in respect of parts of the Town Hall to Eventhia Ltd. The new leasehold owner will therefore be required to enter into the S106 Agreement simultaneously at the time the new lease is granted by the Council in respect of the lease areas. However, application has been made to the local planning authority to replace the affordable workspace provisions contained in clause 2 of Schedule 4 of the Shadow S106 Agreement with a requirement to submit a Marketing Strategy to provide Free Memberships. Full assessment for this is set out in this report below. In addition this report will clarify some other departures from the Shadow S106 Agreement when entering into the S106 Agreement with the new tenant.

4. In addition, as replacement of the Affordable Workspace with the Marketing Strategy provisions in the S106 Agreement would result in inconsistency with the Shadow S106 Agreement, variation will be required to the Shadow S106 Agreement itself to ensure consistency. At the same time, opportunity will be taken to clarify the energy and sustainability targets in the Shadow S106 Agreement.

## **SECTION 106 AGREEMENT WITH A TENANT**

### **Affordable Workspace and Marketing Strategy**

#### **5. Policy**

5.1. Policies E1 (Economic development) and E2 (Employment premises and sites) of the Local Plan and CPG5 (Town Centres, Retail and Employment) support the provision of employment uses such as offices [formerly Class B1 – now Class E(g)].

5.2. Camden's planning policy requires that an element of affordable SME workspace is secured from large scale employment developments with a floorspace of 1,000sqm (GIA or gross internal area) or more. The guidance states that the quantum and specification for the affordable workspace provision will be negotiated on a case by case basis according to local conditions, and provides examples of how affordable workspace can be secured. Examples include;

- 20% of the workspace to be provided at 50% of comparable market values
- an element of the floorspace to be offered to an affordable workspace provider (to be approved by the Council) at a peppercorn rent (i.e. a very small or token rent).
- 20% of the desks in the open workspace (hot-desking) area to be offered at 50% of market value
- an average of market rents paid by tenants in the area occupying an equivalent type and quality of space. This should relate to average market rates in the relevant sector in particular to light industrial and maker space

5.3. The approved planning permission for the Town Hall included the provision of 5,495 sqm of Class B1 office floorspace (now Class E(g)) within the basement, second and third floors. 1405sq m NIA of this space was designated as 'affordable workspace' and was secured in the original application by the Shadow Section 106 Agreement. This affordable workspace comprised the whole of the basement space and represented approximately 20% of the overall B1 floorspace. The space was to be available to the end user SMEs (small and medium enterprises) at 50% of market rent in perpetuity.

#### **6. Assessment**

6.1. An application has been made to modify the affordable workspace obligation so that rather than it being provided via a specified quantum of floorspace for this purpose, it is delivered through the provision of affordable (free) memberships to the workspace.

6.2. The applicant proposes to use the building to create a membership facility which provides events space and cultural programming alongside flexible workspace, curating a community of creative businesses and industry leaders. The vision for the building is that all of the floors will provide facilities and programming which are accessible by all of the members. The membership offer will include:

- Fully serviced workplace facilities including co-working areas, meeting rooms, zoom rooms,

- production studio facilities, streaming facilities and supported back office services;
- Food and beverage offerings at onsite catering facilities; Membership cultural programming and community mentorship schemes;
- Priority access and preferential rates on meeting rooms and event booking;
- SME support

6.3. To this end, the proposal is for the provision of 100 free and full memberships at the new facility. The membership would entitle the member access to all of the above benefits of membership. This affordable workspace offer is only to remain in place for the extent of the tenant's occupation, their lease of the property being 30 years. After this time the affordable offer would revert to the original requirement which is the provision of 20% of the overall B1 floorspace for affordable workspace, to be available to rent at 50% of the market rate and to be retained in perpetuity.

6.4. The Council's Inclusive Economy Team have been involved in negotiating the proposed revisions to the affordable workspace obligation and are satisfied that the proposal provides an alternative but equivalent offer to local SMEs. The proposed offer provides access to workspace for a similar number of SMEs as the originally proposed office floorspace would have (using employment density figures as a guide), but offers this access for free (rather than at 50% of market rents) and is enhanced by the other membership benefits.

6.5. The revised planning obligation would require the submission and approval of a Free Memberships Marketing Strategy. This strategy would need to be developed in consultation with and then approved by the Council's Inclusive Economy Team prior to occupation of the building. It is envisaged that this strategy would include:

- Eligibility criteria and hierarchy of priority for free memberships;
- Overview of proposed marketing channels and promotional activities;
- A commitment to annual reporting and overview of the details to be provided;
- Commitment to ensure that not less than 100 free memberships will be offered at any one time for the duration of the leases

6.6. The proposed modified affordable workspace offer still meets the Council's planning policies which allow for affordable workspace to be offered in the form of memberships and delivers on the objectives which were listed in the original committee report, but in a different form. Officers consider the scheme would still deliver local employment opportunities and benefits for the local community. Given the above, the proposed amendments to the Section 106 are considered acceptable.

## **Other provisions**

The S106 Agreement will be entered into on the same terms as those set out in the Shadow S106 Agreement (save for the workspace provisions being replaced with the free memberships marketing strategy) by ensuring that any outstanding obligations relevant to the development are secured, subject to the below:

- Removal of the construction phase obligations, given the construction works are complete.
- Retention of all operational phase obligations around management of office and event spaces and around community access to the event space in the Camden Centre and the event space management obligations contained in Clause 1 of Schedule 4 of the Shadow S106 Agreement.
- Retention of the end use employment and skills obligations including the end use apprenticeships, the opportunities for SEND residents and the promotion of the STEAM programme to tenants/members would all be retained in the Section 106 agreement.

The applicant has agreed to the following, additional commitments to be secured through the S106 agreement:

- A commitment to London Living Wage for all staff;
- A commitment to a meaningful local recruitment target and to working with local employment support organisations, such as Good Work Camden, to promote vacancies in order to meet the target;
- A commitment to partnership working with local schools and further education colleges and providing work placements for students, e.g. T Levels industry placements in Catering & Hospitality and Business & Administration;
- A commitment to adopting local procurement strategies with regard to the supply chain in the operation of the building
- A commitment to promoting Council objectives and services to end users and occupiers.

## **SHADOW S106 AGREEMENT WITH THE COUNCIL**

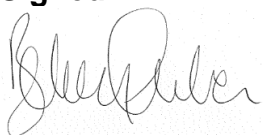
In order to reflect replacement of the Affordable Workspace provisions with the requirement to submit the Free Memberships Marketing Strategy to provide 100 Free Memberships, the Shadow S106 Agreement will be amended for the period of 30 years to coincide with the term of the lease with Eventhia Ltd. Once the lease has been terminated, the original obligations to provide Affordable Workspace in the Shadow S106 Agreement will come back into force pursuant to the Shadow S106 Agreement.

In addition, Shadow S106 Agreement will be varied to clarify energy and sustainability targets within the relevant definitions.

### **7. Recommendation**

7.1. To revise the existing shadow Section 106 Agreement with the Council as a landowner and enter into a new Section 106 agreement with the new leaseholder.

**Signed:**



03/06/24