



Appeal Decision

Hearing held on 4 March 2026

Site visit made on 4 March 2026

by R Sabu BA(Hons), MA, BArch, PgDip, RIBA, ARB

an Inspector appointed by the Secretary of State

Decision date: 30 March 2026

Appeal Ref: APP/E5900/W/25/3376649

120 Leman Street, London E1 8EU

- The appeal is made under section 78 of the Town and Country Planning Act 1990 (as amended) against a refusal to grant planning permission.
 - The appeal is made by Zeena Ventures Ltd against the decision of the Council of the London Borough of Tower Hamlets.
 - The application Ref is PA/25/01236.
 - The development proposed is recladding refurbishment and extension of the building to include an additional three floors of accommodation in connection with a change of use from office (Class E) to hotel (Class C1) use, and introduction of associated new plant and equipment, and related works.
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Decision

1. The appeal is dismissed.

Preliminary Matters

2. Prior to the hearing the Appellant submitted updated section drawing P500/A. The update corrects an error where a corridor was mislabelled as bedroom. The change is not substantial and would not prejudice anyone who was entitled to be consulted, the opportunity to do so. I have therefore accepted the updated plan.
3. As the proposal relates to a listed building, I have had special regard to section 66(1) of the Planning (Listed Buildings and Conservation Areas) Act 1990 (the Act).

Main Issues

4. The main issues are:
 - whether the proposal would accord with the development plan strategy for the loss of office space; and
 - the effect of the proposal on the character and appearance of the area and on the setting of nearby Grade II listed buildings.

Reasons

Loss of office space

5. The existing building is comprised of office space and the proposal would result in the total loss of this use. The site lies within Aldgate Secondary Preferred Office Location (POL) and the Central Activities Zone (CAZ) as well as City Fringe Activity Area in terms of the Tower Hamlets Local Plan 2031 Adopted January 2020 (LP). It

is common ground between the parties that the proposed hotel use is a strategic function within the CAZ.

6. LP Policy S.EMP1 sets out the Council's approach to employment provision and seeks to maximise the provision of employment floorspace and with respect to Secondary POLs states that these contain, or could provide, significant office floorspace to support the role and function of the Primary POL and the City of London. The Policy goes on to state that greater weight is given to office and other strategic CAZ uses as a first priority. As such, office use and strategic CAZ use are given equal weight in this policy.
7. Part 1 of Policy D.EMP3 states that development resulting in the net loss of employment floorspace within Preferred Office Locations, Local Industrial Locations and the Strategic Industrial Location will not be supported. As discussed during the hearing, the Appellant considers that employment floorspace has a wider definition than employment use and includes tourist accommodation because LP Policy S.EMP1 gives equal weight to office and other strategic CAZ uses.
8. Paragraph 10.6 of the LP is part of the introduction to the 'Delivering economic growth' chapter of the LP which includes LP Policies S.EMP1, D.EMP3 and D.EMP4. It states that this chapter relates to employment uses within the 'B' use classes (business, general industrial and storage and distribution) and sui generis industrial functions. This definition does not include tourist accommodation.
9. Although employment floorspace is not separately defined in the LP, there are other policies which expressly deal with tourist accommodation. Moreover, LP Policy S.EMP1 gives equal weight to office, rather than employment use, and other strategic uses. Therefore, I find that employment floorspace constitutes floorspace for employment use as defined in paragraph 10.6 of the LP.
10. As I have found that employment floorspace includes office use and not hotel use, the proposal for change of use from office (Class E) to hotel (Class C1) use would conflict with LP Policy D.EMP3 which does not support the net loss of employment floorspace within POLs.
11. Part 2 of LP Policy D.EMP4 states that redevelopment within the Secondary POL must be employment-led and deliver the maximum viable level of office floorspace, or other non-residential strategic functions within the Central Activities Zone (CAZ). The explanatory text of this Policy states that Parts 2 and 3 seek to strike an appropriate balance between offices, CAZ strategic uses and housing to meet future growth and the place-making objectives of mixed-use development. Any redevelopment proposals within the Secondary POL and CAZ (tertiary area) should meet the requirements set out in Parts 1 and 2 of Policy S.EMP1.
12. As discussed during the hearing, the Appellant considers that part 2 of LP Policy D.EMP4 provides a choice with respect to redevelopment being either employment led and delivering the maximum viable level of office floorspace on one hand, or providing other non-residential strategic functions within the CAZ on the other.
13. The explanation to LP Policy D.EMP3 says that within the Primary and Secondary POLs, the expectation is that development proposals are employment-led in line with the policies and principles set out in Policy S.EMP1. Moreover, the explanation to LP Policy D.EMP4 states that parts 2 and 3 seek to strike an appropriate balance between uses and meeting place-making objectives of mixed-use development. On

this basis I consider that LP Policy D.EMP4 seeks employment-led uses as a prerequisite to delivering either maximum viable level of office floorspace or other non-residential strategic functions within the CAZ. This is in line with LP Policy S.EMP1 which seeks to maximise the provision of employment floorspace.

14. As LP Policy S.EMP1 gives equal weight to office and other strategic CAZ uses, and LP Policy D.EMP4 requires either a maximum viable level of office floorspace, or other non-residential strategic functions within the CAZ, both policies give equal weight to the provision of office and other strategic CAZ uses. Therefore, the requirement of employment-led redevelopment as a prerequisite in LP Policy D.EMP4 is consistent with LP Policy S.EMP1.
15. As the proposal for redevelopment of the existing building does not include employment uses, it is not employment-led and would not maximise the provision of employment floorspace. Therefore, the scheme would conflict with LP Policies S.EMP1 and D.EMP4.
16. The Appellant provided marketing evidence in the Needs And Economic Impact Assessment (NEIA) which seeks to demonstrate that without change of use, it is likely that the building would remain vacant indefinitely. Part 2 of LP Policy D.EMP3 seeks marketing evidence among other things as part of an exemption to the restriction of loss of employment floorspace. However, as it relates to development outside designated employment locations cited in Part 1, it is not relevant to this appeal. I return to the matter of marketing and office need in my planning balance.
17. Turning to The London Plan The Spatial Development Strategy for Greater London March 2021 (London Plan), London Plan Policy SD4 relates to the CAZ and supports the nationally and internationally significant office functions. It also requires development plans to develop locally sensitive policies to meet the objectives for the CAZ. Moreover, the Policy supports tourism functions as well as office functions and does not expressly preclude the loss of employment floorspace. Accordingly, the scheme would not conflict with this Policy.
18. Nonetheless, as the proposal would conflict with LP Policies S.EMP1, D.EMP3 and D.EMP4, it would not accord with the development plan strategy for the loss of office space.

Character and appearance and setting of listed buildings

19. Leman Street stretches from Whitechapel High Street and Aldgate East underground station at its northern end, to a raised railway line at its southern end where the road becomes Dock Street. The street comprises buildings of a range of types, scales and uses.
20. These include a number of listed buildings such as Number 1 Prescott Street and Attached Wall and Railings (No 1) with five storeys, two attics, and a semi-basement which lies immediately to the north of the site. Near No 1 lies the Offices For the Cooperative Wholesale Society at No 99 Leman Street (No 99) which is a six storey building with a commanding corner feature surmounted by a clock tower. These buildings visually dominate this part of Leman Street by the richly detailed architecture of their facades and imposing massing. To the east of the site lies a number of smaller three and four storey listed buildings with a range of uses such as the Brown Bear Public House. Accordingly, this part of Leman Street has a pleasant, traditional and varied character.

21. The existing building, No 120 Leman Street (No 120), is a modern office block constructed in 1990 and features a steel and glass façade that curves around the corner of the site. Its curved form appears discordant when views against the traditional rectangular forms of the surrounding buildings. In addition, the modern appearance of the steel and glass cladding and the lack of articulation of the elevations appear out of keeping with the highly detailed elevations of the traditional buildings surrounding it. Moreover, the cool tones of the existing façade appear out of keeping with the surrounding traditional brick facades that have warm tones. Accordingly, the existing building appears incongruous in its surroundings in terms of the architecture of its facades.
22. No 120 consists of basement, ground and seven upper floors, including the top floor of enclosed and open plant. The top floor of office accommodation is roughly in line with the lower level of dormer windows of No 1. At ground level, when viewed from the north along Leman Street, the height of No 120 appears to be in line with the top of the main part of No1, below the mansard roof feature. When viewed from the south along Dock Street, the top of the recessed top floor of accommodation of No 120 appears roughly in line with the top of the clock tower of No 99.
23. Therefore, while Leman Street is characterised by variation in height and massing, the height of No 120 appears in keeping with the roofline of the surrounding buildings and does not visually compete with or dominate No 1 or No 99.
24. The site is adjacent to No 1 is a Grade II listed building dating from circa 1932. The building is an office block designed by L G Ekins for the Co-operative Wholesale Society (CWS). As stated in the list description, the building is an unusual example in Britain of the German Expressionist style. The features include a green pantiled mansard roof with dormers and arched arcading with dog-tooth brick detailing. Therefore, the significance of this building, insofar as it relates to this appeal, lies in its architectural style and historic association with CWS.
25. No 99 was built as an office block, dates from circa 1885-7 and was designed by J F Goodey of Colchester for the CWS. As set out in the Heritage, Townscape and Visual Impact Assessment (HTVIA) the building is constructed of red brick with stone dressings on a two-storey granite plinth. The six-storey structure features a clock tower with a fish-scale slate mansard roof, surmounted by a wrought iron balustrade.
26. The building was the headquarters for the CWS which was one of several buildings in the area by CWS and was near the now demolished Midlands Railway goods depot which provided a direct link to the Society's base in Manchester. Accordingly, the building's significance, insofar as it relates to this appeal, derives from the imposing presence and rich detailing of 19th century commercial architecture and evidence of the CWS's activities in the area.
27. Given the proximity of the site to these listed buildings, and that they are seen in some of the same views as No 120, the site lies within their setting.
28. The proposal would include an additional three floors of accommodation. The main part of the building would be reclad such that the façade would extend to the top of the existing top floor of office accommodation. The storeys above this level would be modestly set back from the elevation facing Leman Street. This would result in a

massing that would be taller than the surrounding buildings, in particular No 1 to the north.

29. Given the modest set back, the upper floors would be visible at street level from Leman Street. Although the proposal is for three additional levels of accommodation, as the existing plant facilities are significantly set back from the facades, and the proposed top floor including plant would occupy a large part of the roof space, the scheme would have the appearance of being four storeys taller than existing.
30. When viewed from the north along Leman Street, including from View 2 of the HTVIA, the additional upper floors would be seen in close proximity to the mansard roof of No 1. The limited set back of the upper floors would result in a bulky massing that would appear to be set forward of No 1's mansard roof. Accordingly, the proposed upper floors would draw the eye away from the listed building in views from the north along Leman Street and would appear to dominate the listed building, visually detracting from its highly detailed mansard roof. As such, the scheme would harm the setting of No 1, eroding its significance.
31. When viewed from the south along Dock Street, as in View 5 of the HTVIA, the additional floors would add considerable bulk to the building given the limited setback of the upper floors from Leman Street and the length of the floors across most of the floorspace of the building. As the railway bridge visually separates the lowest floors from the rest of the building in this view, the upper floors would appear to double the height of the existing building. The upper floors would therefore not appear subservient to the main part of the building, and the resultant massing of the additional floors would appear cumbersome and would dominate this view.
32. The telephone masts and plant on the roof of the existing building can be seen in the views from Dock Street. The roof line of the existing building therefore has a cluttered appearance. The proposal would present an uncluttered roof line as the plant and accommodation at roof level would be enclosed. However, given their height, the additional storeys would result in a bulky and disproportionate appearance compared with the main part of the building. The proposal would therefore appear incongruous in the area from these views and the character and appearance of the area would be harmed as a result.
33. The clocktower of No 99 is clearly visible in View 5 and generally along Dock Street looking north. The stepping back of the upper floors of the proposal allow views of the clocktower of No 99. However, as scheme would result in a significantly greater height, the building would appear to tower over the clocktower, dominating the views from the south and diminishing the presence of the listed building in these views. Therefore, the setting of the listed building would be eroded by the scheme in this respect.
34. From Royal Mint Street the existing building is partially obscured by trees and the railway bridge as seen in View 6 of the HTVIA. However, the upper floors and telephone equipment can be seen on the roof. While the view is cluttered, the overall scale of the building is keeping with its surroundings.
35. The stepping of the upper floors would be seen to the north. However, the upper floors would appear to dominate the building given their height and width across most of the building. Although the south façade would have some articulation, given the height and massing of the upper floors that face the south, the proposal would

appear overly bulky in its surroundings. This view is less sensitive than Views 2 and 5 given the presence of the railway bridge. However, the proposal would nonetheless adversely affect the character and appearance of the area from this view.

Heritage balance

36. Paragraph 212 of the National Planning Policy Framework (the Framework) advises that when considering the impact of a proposed development on the significance of a designated heritage asset, great weight should be given to the asset's conservation.
37. The proposed additional floors of the proposal would add significant bulk to the existing building and would be seen in a number of views, particularly from Lemn Street and Dock Street. Given the scale and massing of these additional floors and the proximity of the building to No 1 and No 99, they would harm the setting of these Grade II listed buildings. Moreover, no justification for the scale of the proposal in terms of the viability of the scheme is before me. Therefore, I find the harm to lie in the middle part of the less than substantial spectrum in this instance but nevertheless of significant importance and weight.
38. Under such circumstances, paragraph 215 of the Framework advises that this harm should be weighed against the public benefits of the proposal including, where appropriate, securing its optimum viable use.
39. The reclad façade of the main part of the building would include references from historical architectural features such as robust masonry, punched openings, deep reveals, layers of masonry and spandrels and subtle detailing. The building would therefore appear more in keeping with its surroundings when viewed at close proximity than the existing building. The use of materials and detailing of the façade of the main part of the building would improve the character and appearance of the area in this respect.
40. The recladding of the building would also enhance the setting of No 1 and No 99 in close range views where the materiality and façade design would be seen alongside these listed buildings. However, the harm to the setting of listed buildings No 1 and No 99 that would result from the scale and massing of the additional floors would be seen in long range views from the north and south. Therefore, the harm would be likely to be seen in more views than the enhancement to the façade which would be appreciated primarily at close range.
41. In addition, the recladding of the existing building would enhance the setting of the other listed buildings in the vicinity; 137, Lemn Street E1, Brown Bear Public House and 141, Lemn Street E1. The enhancement of the character and appearance of the area and setting of the surrounding listed buildings would primarily be seen in close range views. Accordingly, I attribute moderate weight to the enhancement of the character and appearance of the area and setting of the listed buildings.
42. A number of other public benefits would arise from the scheme, including financial contributions towards employment and skills training, and towards the provision of one blue badge parking bay. Other benefits include economic benefits and apprenticeship opportunities during the construction phase and the creation of jobs. Occupants of the hotel would be likely to contribute to the local economy. The

proposal would improve environmental credentials of the building, such as through air source heat pumps and biodiversity benefits. The surface water discharge would also be improved as result of the proposal. Given the scale of the proposal including recladding, extensions and change of use, I attribute moderate weight to these benefits. Accordingly, the public benefits would not outweigh the significant weight attached to the heritage harm identified.

43. Consequently, the proposal would unacceptably harm the character and appearance of the area and would fail to preserve the setting of nearby Grade II listed buildings. Therefore, it would conflict with LP Policies S.DH1, S.DH3 and London Plan Policy D3 which seek, among other things, the highest standards of design, to preserve designated heritage assets in a manner appropriate to their significance and enhance local context. It would also fail to satisfy the requirements of the Act.

Planning Balance

44. The Appellant has submitted marketing evidence as part of the application. The evidence indicates that the existing building including refurbished floors has failed to be let for a number of reasons including a demand for larger buildings and locations closer to underground stations. The Council raised a number of concerns with the marketing evidence, including regarding asking rent and lack of detail from marketing agents.
45. The Appellant submitted a Marketing Evidence Supplementary Note as part of the appeal. It details that the asking rent was towards the lower middle of rents achieved in the city fringe area over the last 24 months. Moreover, the owner offered to contribute to the fit out of a floor in negotiations with a prospective tenant, who chose an alternative site in another part of London.
46. Marketing brochures, emails and the physical display board displayed at the site were detailed in the NEIA and Supplementary Note along with an interest schedule detailing the prospective tenants, their requirements and comments on why the initial interest did not materialise into a letting. Although this information was not contained in the format of letters from marketing agents, it demonstrates that active marketing was undertaken over a continuous period at a reasonable market rent.
47. I note that the building as a whole was not marketed as a number of floors were being rented until the later part of 2025. In addition, no viability information has been submitted to indicate that a fully refurbished office building would not be viable. However, from the evidence, the building in its current state and as a refurbished office space is unlikely to be let in the near or long-term future. Accordingly, the harm that would result from the conflict with LP Policies S.EMP1, D.EMP3 and D.EMP4 would be limited.
48. As detailed above, the proposal would unacceptably harm the character and appearance of the area and would fail to preserve the setting of nearby Grade II listed buildings. I attribute significant weight to this harm.
49. Balanced against this harm the scheme would provide benefits, including economic benefits from the hotel use and contribution from future occupiers to the local economy, use of an underutilised existing building, energy efficiency improvements to the building, biodiversity benefits, close range enhancements in terms of the character and appearance of the building and activation of the ground floor façade.

I also note the objectives contained in the Framework, including helping to build a strong economy, making effective use of land and adapting to climate change. Given the scale of the proposed development, I attribute moderate weight to the benefits of the scheme.

50. Therefore, the benefits, while material considerations in this case, do not outweigh the development plan conflict.

Other Matters

51. The Council has not raised any objections with respect to a number of issues including highway safety, light, privacy and fire safety. From the evidence I see no reason to disagree. However, the lack of harm in these respects does not carry weight in favour of the proposal.
52. I have had regard to the comments of the inspectors for the cases at Alie Street¹ and Whitechapel Road². The scheme at Alie Street was for a change of use to flexible use Class E/Class F1(Education). In addition, the setting of heritage assets was not a matter of dispute between the parties. Therefore, while that scheme did involve the loss of office space, it is not directly comparable to this appeal.
53. The scheme at Whitechapel Road was located within the Primary Shopping Frontage of the Whitechapel District Centre and the Whitechapel Local Employment Location. In policy terms this is different to the appeal scheme which is not in a Local Employment Location. Therefore, while the Whitechapel Road scheme also involves the loss of office space, it is not directly comparable to this appeal.

Conclusion

54. For the reasons given above, the proposal would conflict with the development plan as a whole and in the absence of material considerations to indicate otherwise, the appeal is dismissed.

R Sabu

INSPECTOR

¹ Appeal Ref: APP/E5900/W/24/3351303

² Appeal Ref: APP/E5900/W/24/3351393

APPEARANCES

FOR THE APPELLANT:

Douglas Edwards KC	FTB Chambers - Barrister
Emma Holt Bsc (Hons) DipArch ARB	Ben Adams Architects – Architect
Lewis Eldridge BSocSc (Hons), MSc, MAUD, IHBC	The Townscape Consultancy – Townscape & Heritage
Morgan Reece BA (Hons) MA MRICS	Montagu Evans – Need, economic impact & marketing
Richard Clarke MRICS	Agency & Marketing
Nick Sharpe BA (Hons) Dip TP MCD MRTPI	Callidus Planning -Planning consultant

FOR THE LOCAL PLANNING AUTHORITY:

Stephanie Bruce-Smith	FTB Chambers - Barrister
Caitlin McArthur BSc (Hons), MA, MRTPI	Planning Officer
Adam Hussain BA (Hons), MA	Principal Planning Officer
Vicki Lambert BA(Hons), Dip TP, Dip AA, PGCert UD, IHBC, MRTPI	Principal Officer (Place Shaping Team)
Kim Louis MSc (Hons), PGDip UD	Heritage and Design Officer

DOCUMENTS

Updated drawing no P500/A and updated drawing register

Signed and dated legal agreement

CIL Compliance Statement dated 3 March 2026

Suggested conditions dated 3 March 2026