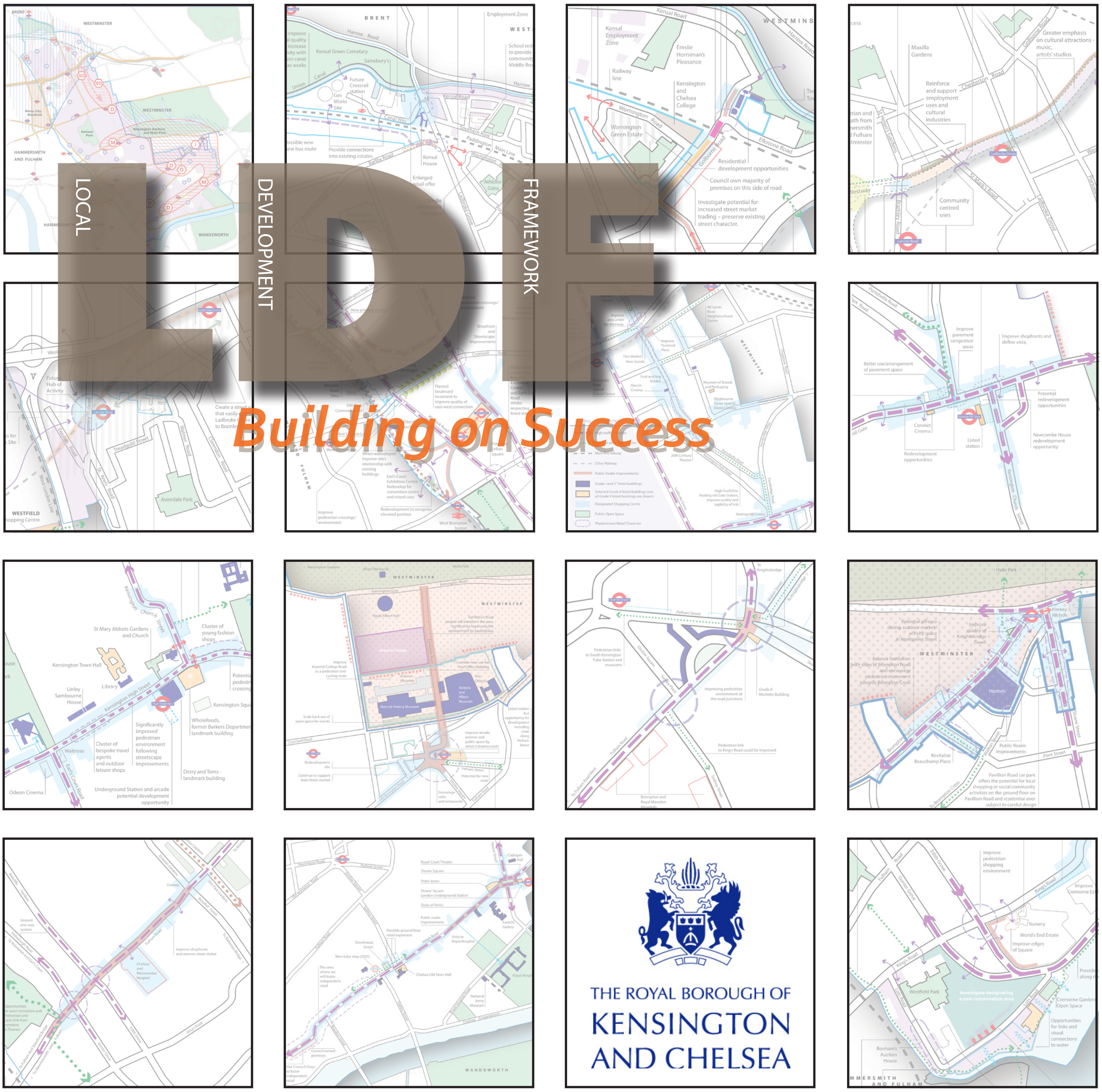

LDF

LOCAL DEVELOPMENT FRAMEWORK

Building on Success

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

Responses to the Inspector

Matter 7: Fostering Vitality

Core Strategy with a focus on North Kensington
Examination in Public
July 2010

Public Examination of Royal Borough of Kensington and Chelsea's Core Strategy with a focus on North Kensington DPD

Royal Borough of Kensington and Chelsea's Statement

Matter 7 - Fostering Vitality

Question 1

Policy CF1, criterion (e) supports the establishment of a new centre at Earl's Court, specifying a neighbourhood centre. **Is there evidence to support a more general indication of the order of centre?**

1.0 The Council considers that there is evidence to support the creation of a new centre on the wider Earl's Court Site, the scale of which will be dependent on the scale of the development which occurs on the site. This centre could either be in this Borough or in Hammersmith and Fulham. The function of the centre must be to serve the day-to-day need of residents of the area. Its scale must be that which does not harm the vitality of any adjoining centres.

Evidence of need – areas deficient in local shopping facilities

1.1 Kensington and Chelsea is a densely developed borough which contains ten higher order centres and some thirty-five smaller neighbourhood centres. This is one of its strengths, with most of the people living within the Borough being within easy reach of the shops and services needed to meet their day-to-day needs. However, not all areas are as well served as others, and to this end, the Council has mapped areas of deficiency for local shopping facilities, i.e the parts of the Borough more than 400 m (or a five minute walk) from a neighbourhood or higher order centre. Just 25 % of the Borough is considered "deficient". This includes much of the Earl's Court Strategic Site. The creation of a new small centre in the Earls' Court area will help meet this deficiency.

1.2 This map illustrating deficiency is included as page 167 of the Submission Core Strategy (Keeping Life Local).

Evidence of need – Retail Needs Assessment

1.3 The Council has commissioned Nathanial Litchfield and Partners to carry out a Retail Needs Assessment to consider, amongst other matters, the 'need' for additional retail floorspace across the Borough. This study was published in July 2008. This study concluded that there was minimal need for new comparison floorspace in this part of the Borough to 2015. However, there was some 'need' for additional convenience floorspace, with the study predicting that there was a 'need' of approximately 2,500 sq m between 2008 and 2015, or 4,600 sq m between 2008 and 2020 across the Borough. This 'need' is in addition to that expected to be provided on the Lots Road Power Station Site in the south-western corner of the Borough.

1.4 Some of this 'need' could be accommodated on the Earl's Court Site.

Scale of development on site likely to generate its own need

1.5 The Council, does however, recognise that the Earl's Court wider site (the area for the tentative Opportunity Area) is likely to contain a significant amount of development over the lifetime of the plan. This development will create its own demand for town centre uses. The amount of 'need' created will be dependent on the scale and nature of the development which ultimately takes place. However, there is no presumption in policy that all the 'need' generated must be accommodated on the wider Earl's Court site. 'Need' which relates to comparison retail should properly be directed to existing centres to boost their vitality. It is the convenience day-to-day shopping needs that can legitimately be expected to be met on the development site.

1.6 The scale of development has yet to have been decided, but for the wider Earl's Court site, a site which lies in both this Borough and Hammersmith and Fulham, it is likely to include a minimum of 2,000 new homes and have an 'indicative employment capacity' of some 7,000 new jobs. It is the role of the SPD currently being prepared on the wider Earl's Court Site with our partners in Hammersmith and Fulham and the GLA to establish the scale of development considered appropriate on the site. The Council's allocation for land in this Borough (Policy CA7) is not insignificant, including a minimum of 500 homes, a minimum of 10,000 sq m of office space, as well as other non-residential uses such as hotel, leisure and social and community uses. In additional a cultural facility, is sought. There is some flexibility in the wording of Policy CF7 for the non-residential uses to be located in Hammersmith and Fulham as part of a comprehensive masterplan for the wider area. These uses proposed within this Borough are confirmed in a statement of common ground between this Council and Hammersmith and Fulham (dated 28th May 2010 and included within the 'Response to inspector's Questions' dated 25th May 2010).

1.7 The scale of the retail element appropriate on the Earl's Court site will be explored within a retail report currently being commissioned as part of the evidence base for the SPD. Any new retail development must comply with the requirements of PPS4. Whilst the scale of the retail development should be to serve the day-to-day need of residents of the area, and not have a wider comparison role that could compete with existing centres, the Council does recognise that the final 'classification' of the centre can only be made when the scale of the wider development has been established. Reference to a "small-scale" centre makes the Council's ambitions clear but also does not pre-judge the production of the SPD.

1.8 If the inspector were so minded, the Council would support making a change to Policy CF1 and the supporting text to make this clear.

Policy CF1

1.9 The Council will

(d) require the establishment of new centres in the Latimer and Kensal areas to address identified retail deficiency, and support the establishment of a new ~~neighbourhood~~ small-scale centre in the Earl's Court Opportunity Area, to serve the day-to-day needs of the development. Any new centre must comply with the requirements of PPS4, and be of a scale that does not have an unacceptable impact on existing centres.

~~(e) support the establishment of a new neighbourhood centre in the Earl's Court Opportunity Area, to serve the day-to-day needs of the development.~~

(f) Require, where proposals for new retail development do not comply with parts (a) to ~~(e)~~ (d) , that it is demonstrated either:

1.10 Para before 31.3.6
The nature of the retail element of the wider Earl's Court Site, will be established by the future SPD in response to evidence regarding need. Need relating to comparision retail should be directed to existing centres in this Borough and Hammersmith and Fulham. Need relating to convenience retail outside the catchment of existing centres may be accommodated on the wider site, and this is likely to result in the creation of a 'small centre'. The convenience retail element must, however, be of a scale which provides for the day-to-day needs of local residents. ~~A neighbourhood centre in the area will, therefore, be appropriate, as long it is of a scale which~~ It must ~~does~~ not harm the vitality of nearby centres, be these in this Borough or in Hammersmith and Fulham. A new centre is 'supported' rather than 'required' as it is possible that its eventual location may be in Hammersmith and Fulham.

1.11 In additional the reference to the creation of a neighbourhood centre in the Earl's Court Place should be amended for consistency.

Para after 10.3.10
The area of Earl's Court is currently deficient of access to neighbourhood or higher shopping facilities. The Council will therefore support a new small-scale ~~neighbourhood~~ centre in this location. ~~supporting the day-to-day needs if the development. However, this new centre must not compete with existing centres.~~ The nature of the retail element of the wider Earl's Court Site, will be established by the future SPD in response to evidence regarding need. Need relating to comparision retail should be directed to existing centres in this Borough and Hammersmith and Fulham. Need relating to convenience retail outside the catchment of existing centres may be accommodated on the wider site, and this is likely to result in the creation of a 'small centre'. The convenience retail element must, however, be of a scale which provide for the day-to-day needs of local residents.

Para 10.4.2
The Council will also support a new small ~~neighbourhood~~ centre in the Earl's Court and West Kensington Opportunity Area, to serve the day-to-day needs of the development.

‘Support’ for a new centre rather than designation

1.12 The Council ‘supports the creation’ of a new centre, rather than ‘designating’ it as it is possible that this centre may eventually lie within Hammersmith and Fulham. A Council cannot allocate land in a neighbouring borough.

Public Examination of Royal Borough of Kensington and Chelsea's Core Strategy with a focus on North Kensington DPD

Royal Borough of Kensington and Chelsea's Statement

Matter 7 - Fostering Vitality

Question 2

The affordable retail units in Policy CF2 is intended to ensure the continued supply of small units more likely to be occupied by start-up, independent or specialist traders, managed under the Council's Neighbourhood Shopping Policy. **If implemented, would this lead to adverse effects on retail occupation making its objective ineffective and undeliverable?**

2.0 No: given that the purpose of the policy is to support small and affordable shops and to mitigate any undesirable effects of large retail developments, the Council does not consider that this would lead to any unintended adverse effects within existing centres.

2.1 The Council already operates a 'two-tier' market in relation to the shops which are owned by the Council and which operate under the Council's Neighbourhood Shopping Policy. This policy enables the Council to rent these properties at the market rate for a particular use (for example a butcher, or small independent boutique) rather than the highest possible rent which could be achieved for that unit. The Council manages approximately one hundred units in this way, and there is no evidence that this has lead to the reduction of retail occupation of adjoining units.

2.2 The Council considers the provision of affordable shops is an opportunity to level the playing field between independent and chain retailers and to support retail diversity. When a large new retail development is created independent retailers are normally excluded because the unit sizes provided are too large, they cannot meet the owner's covenant requirements or the rental requirement is just too high. Such developments can drastically change the footfall pattern of a town centre and without intervention would further marginalise independent retailers. In this way the policy mitigates the undesirable effect of the large retail development. It can also mitigate the 'passive failure' of the large unit to meet a need for small or affordable shops in a location.

Importance of diversity

2.3 Therefore, rather than undermining vitality, the Council considers that the policy will complement and support the vitality and viability of existing centres. The provision of an 'affordable' shop, a unit which would not be provided by the free market, would increase the diversity of a centre, increasing it attraction, not reducing it. The nature of the occupiers sought will be dependent on the relevant part of the centre, to ensure that it does not merely duplicate what is successfully being provided by the market. For example, the character of parts the Portobello Road, is dependent on the provision of antiques shops and arcades, both uses which are struggling in the current economic climate. This is set out in the vision for the area. It may, therefore, be appropriate for an 'affordable' unit is this area to be let to an antiques occupier. The rent sought would be the 'going rate', for a retailer of this type, thereby not giving this retailer an unacceptable advantage over similar retailers in the area.

2.4 The Borough's centres are generally in successful, with low vacancy rates. This is confirmed within the Council's Retail Needs Assessment, which includes a 'health check' of the Borough's centres. However, the central ambition of the Council, as articulated by Policy CF2 is that "vital and viable town centres" be promoted. The provision of an affordable unit would not be sought where this would have a detrimental impact on the vitality of the centre.

2.5 The importance of diversity to the health of a centre, is confirmed in PPS4, with Policy EC4.1 recognising that LPA's "should plan to promote competitive town centre environments and provide consumer choice by … (b) recognising that smaller shops can significantly enhance the character and vibrancy of the centre". Part (f) of the EC4.1 states that local planning authorities should "take measures to conserve, and where appropriate, enhance the established character and diversity of their planning centres."

2.6 At the local level, the value of diversity is confirmed by the findings of the Council's Retail Commission[1]. This was an independent panel set up by the Council to examine methods by which the diversity, character and vitality of the Borough's town centres could be supported. The Commission concluded that the provision of affordable units was one of the few methods by which a LPA could be proactive in seeking to maintain diversity. By maintaining diversity, vitality would be supported.

Flexibility of the policy

2.7 The Council is aware that few developers will actively welcome a policy which "requires" them to provide a range of unit sizes, or the provision of affordable shops. The Council does recognise that this is a 'cost' on a development. However, the Council considers that the policy (as amended) does offer the flexibility needed to ensure that no retail development will be rendered 'unviable' by the requirement to provide an affordable shop. Investment in retail developments is unlikely to be discouraged.

2.8 Firstly, the Council does not require the provision of affordable or small shops for all proposals. Policy CF2 only seeks these where a proposal will result in a net increase of 1,000 sq m of retail floor area. (para 31.3.18 of the Core Strategy). This threshold

[1] The Retail Commission included a number of high profile retailers and 'enlightened' land owners who invited some forty organisations as well as local shopkeepers, land owners and residents to 'give evidence' on the matter. These witnesses included representatives from All-Party Parliamentary Small Shops Group, the British Property Federation, the British Retail Consortium, GLA Economics, the New Economics Foundation as well as a number of the major supermarkets and high street retailers.

is considered to be reasonable as equates to a ‘major application’ in terms of the referral of cases to the GLA. A proposal which results in a net increase in 1,000 sq m of retail floorspace is of a scale that may have ‘undesirable impacts’ on a town centre. These undesirable effects would either be the loss of existing small shops, or the failure to meet the need for small or affordable units. The provision of affordable units (or where appropriate a financial contribution) is the necessary mitigation to make the proposal acceptable which otherwise would have been unacceptable.

2.9 The 1,000 sq m threshold is considered appropriate given nature of development of the Borough. Kensington and Chelsea is unlike many other boroughs in that it does not have large numbers of un-developed sites adjoining, or within, our town centres. Consequently there are very few proposals for new large scale retail development. There has been just one consent since April 2005 which has resulted in a net increase in more than 1,000 sq m of retail floorspace, this being approximately 1,500 sq m. The Council has to take any opportunities it can to mitigate the detrimental impact that schemes of 1,000 sq m or more can have upon the diversity of a centre.

2.10 Secondly, whilst ‘viability’ is always a material consideration, the Core Strategy does specifically recognise (in para 31.3.8) that the provision of small and/or affordable shops will only be appropriate “where the viability of the wider scheme is not jeopardised.” That viability is material is confirmed in Policy C1, Infrastructure delivery and planning obligations.

2.11 Thirdly, the Council would support flexibility in the methods/procedures used to provide the affordable unit. The ‘favoured’ approach for the provision of affordable shops to be in the form of shops to be managed under the Council’s Neighbourhood Shopping Policy (as set out in para 2.2 above.) It is ‘favoured’ as builds upon an already successful programme.

2.12 The phrase “favoured method” (para 31.3.18) is intended to recognise that there may be circumstances where other methods to support retail diversity may be preferable. Each would be considered on its own merits. It is not the Council’s intention to restrict the methods by which an affordable shop can be provided. The Council does, however, recognise that as phrased, Policy CF2 does not explicitly recognise that managing shops under the Council’s Neighbourhood Shopping Policy is just one of many possible methods to secure affordable shops. As such the Council would support, were the Inspector agreeable, amending both Policy CF2 and the supporting text to make this flexibility clear. These amendments are set out below.

2.13 The Core Strategy policy offers flexibility in the location of the affordable shop, recognising that “affordable shops can be provided off site within the same centre where appropriate,” the onus being on the applicant to successfully demonstrate where this is the case.

2.14 The Council does not refer to the possibility of a financial contribution in the place of either ‘on’ or ‘off-site’ provision. This reflects the fact that the Council would rather see an actual unit provided. A financial contribution may, however, be appropriate in some cases where the provision of a unit can be shown to be inappropriate. This would add a further degree of flexibility to the policy, and allow investment in other measures which could support retail diversity within a centre.

Proposed amendments

2.15 The Council would like to make the following amendment to CF2 and the supporting text, were the Inspector agreeable:

"Policy CF2
(c) require new large scale retail development or mixed use development with a significant retail element, to provide affordable shops, ~~to be managed under the Council's Neighbourhood Shopping Policy,~~ <u>or where this is not appropriate, to provide a financial contribution through planning obligations to support retail diversity within the centre.</u> Affordable shops can be provided off site within the same centre where appropriate."

Para 31.3.18
"…The Council's favoured method for the provision of 'affordable shops' is for developers to provide premises to be managed under the Council's Neighbourhood Shopping Policy, <u>although the Council does recognise that other mechanisms for the provision of affordable shops, secured through s106 agreements, may also be appropriate.</u> The Council also recognises that there may be circumstances where it would be appropriate for the affordable shop to be provided off site, but within the same centre. These could include, for example, where the proposed retail development has a narrow street frontage, and where the provision of an additional shop on site could jeopardise the successful operation of the principal shop. ~~The onus is on the applicant to successfully demonstrate where off site provision would be appropriate.~~ <u>Where an affordable unit cannot be provided, the Council will seek financial contributions, through planning obligations (where appropriate, feasible and viable), to provide the mitigation necessary to support retail diversity within the centre. The onus will be on the applicant to successfully demonstrate where a contribution to the retail diversity of the centre, be this by 'on' or 'off' site provision of an affordable unit, or by a financial contribution, is not appropriate."</u>

Public Examination of Royal Borough of Kensington and Chelsea's Core Strategy with a focus on North Kensington DPD

Royal Borough of Kensington and Chelsea's Statement

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Question 3

Para 31.3.23 states that "the primary and secondary retail frontages equate to the core and non-core frontages.." of the Principal Shopping Centres as set out in the UDP. It also states these will be reviewed. **Are the definitions of these frontages realistic, as required by PPS6, and are the thresholds in Policy CF3 supported by credible evidence?**

3.0 *Yes: the Council considers that the primary and secondary shopping frontages of the Borough's Higher Order Town centres are 'realistic' and have helped contribute to the maintenance of vital and viable town centres since their adoption in their current form in the 1995 UDP. The thresholds set out in Policy CF3 concerning the protection of shop uses within these frontages is considered to allow for the protection of a core of shop uses vital to the success of our centres, which are supported, but not dominated by, a range of complimentary town centre uses.*

Purpose of Policy CF3

3.1 The success of the Borough's town centres is dependent on the vibrant mix of shop and non-shop A class uses within them. The mix sought is one which maintains the centres' retail draw, yet which offers the range of other supporting uses which serve the non-shopping needs of visitors. The Core Strategy, and in particular Policy CF3, includes the detailed 'development management' policies necessary to retain an appropriate mix. In essence the Council considers ground floor uses parade by parade (within a town centre) and only allows the loss of shops to other 'town centre' uses where a proportion of shops remain in that parade, or where the proposal will not result in concentrations of non-shop uses that would undermine the function of the town centre for shopping. Different criteria are used for the primary and secondary shopping frontages of the Higher Order Town Centres. In addition specific policies are included for the primary shopping frontage of the Portobello Special District Centre and for the Notting Hill Gate Centre. Policy CF3 also considers the loss of shops within the Borough's thirty five Neighbourhood Centres.

3.2 It is, therefore, essential that the designation of primary and secondary frontages is appropriate and accurately reflects the role of differing parts of a centre.

3.3 Policy EC3.1(c) (Planning for Centres) of PPS4 endorses the use by LPAs of primary and secondary frontages to determine the appropriate mix of town centre uses. These frontages must be "realistically defined". PPS4 does not provide strict criteria as what makes a primary or secondary frontage, other than to define in Annex B ‘primary frontages’ as being areas as “likely to include a high proportion of retail uses”; and ‘secondary’ frontage as areas which “provide greater opportunities for a diversity of uses”. The Council does, however, recognise that the definition of frontages should not merely reflect the status quo. The threshold based policies setting out what the appropriate mix of town centre of uses may be appropriate in a given frontage should be uses to ‘shape’ a centre and promote its “vitality and viability.”

3.4 The majority of the frontage designations are as those within the Council’s UDP. The exceptions are those few cases where development of ‘town centre uses’ has occurred at the edge of an existing centre since the publication of the UDP in 2002. These are set out within the relevant ‘place’, the most significant of which being the Duke of York’s Development at the eastern end of the King’s Road (east) major Centre. The reasoning as to why these parts of the centre has been classified as ‘secondary frontage’ is set out in para 15.4.2 of the Submission Core Strategy. Maps, indicating the primary and secondary frontages will be published on adoption of the Core Strategy.

3.5 The use of the frontages as set out within the UDP has proved extremely effective in ensuring that all the Borough’s Higher Order Town Centres have remained the vibrant and vital places that they are. Their vitality is confirmed by the ‘health checks’ carried out within the Council’s Retail and Leisure Needs Study, and further supported by the GLA’s 2009 Town Centre Health Checks. The GLA is not proposing to ‘down grade’ any of the Borough’s centres.

3.6 The Council has carried out considerable consultation on the various iterations of the Core Strategy. Whist a number of comments have been received concerning how the Council deals with its town centres no objections have been received relating to the designation of primary and secondary retail frontages. This would also suggest that these designations are “realistic”.

3.7 The Council has stated that the frontages will be reviewed in the future. This is a time consuming piece of work, as involves two main elements; consideration of the mix of uses within a given parade; and secondly, foot fall counts/mapping to determine which parts of a the centre attract the greatest number of visitors. Frontage designation would be carried out using a combination of these two elements, together with officers detailed knowledge of the centres. Preliminary work would indicate that the definitions of frontages carried out for the UDP remain appropriate and that the secondary shopping frontages to contain a greater mix of retail/non- retail town centre unit than the primary shopping areas. The footfall maps the Council commissioned in December 2009, also suggest that the primary and secondary frontages are correct, with the majority of the primary shopping areas equating to those parts of the centre which have the greatest footfall. The footfall maps have been included within the library of documents for the EIP as the ‘Footfall data for the Borough’s Town Centres’. (Library document No. 119)

The thresholds

3.8 As set out above the use of thresholds to control the mix of shop/non-shop uses is considered appropriate to ensure that the non-retail A class uses do not increase to such a degree that the critical mass necessary for a successful shopping is harmed. This approach is endorsed by Policy EC4.1(a) of PPS4, which seeks to ensure that the diverse range of uses suitable to town centres are distributed throughout the centre. A 'free for all' for all A class uses would be likely to result in many parts of the Borough's centres seeing significant reductions in A1 shop offer. This would be problematical as would both harm the "strong retail mix" endorsed within Policy EC4.1 (b) (Planning for Consumer Choice and promoting competitive town centres) of PPS4, and would also make it more difficult for the "retail need" identified within the Retail Needs Assessment to be met.

3.9 Para 31.3.20 of the Core Strategy (the supporting text for CF3) refers to PPS4 and lists what the Council considers to be the main uses which are appropriate within town centres. These are "retail, banks, building societies and other professional services, leisure and entertainment (including, restaurants, pubs, take-aways and cinemas), offices, arts, cultural and tourism (theatres, museums, galleries, concert halls, hotels and conference facilities.)" The specific reference to banks, building societies and other professional uses has been added to the Submission Core Strategy in order to explicitly recognise the these are appropriate "town centre uses".

3.10 The paragraph also notes that social and community uses are also appropriate town centre uses.

3.11 The Council's Retail Needs Assessment (carried out by Nathanial Lichfield and Partners in 2008) considers the need to protect retail uses across the Borough. It states in para 22.12 that the strategy for the North and Centre of the Borough (the areas with lower projected 'need' to 2015) should be to "concentrate on retaining existing Class A1 retail uses and the reoccupation of existing vacant units, through the continued implementation of shop frontage policies and restrictions on changes of use." This will be of even greater relevance in centres to the South of the Borough where predicted retail need is greater. Furthermore, with the Retail Needs Assessment predicting greater need across the Borough from 2015, the need to protect existing retail uses becomes even more important.

The proportion of shop/non-shop uses

3.12 Annex B of PPS4 defines 'primary frontages' as being areas "likely to include a high proportion of retail uses"; and 'secondary' frontage as areas which "provide greater opportunities for a diversity of uses". Policy CF3 of the Core Strategy seeks to create/maintain parades which reflect these differing roles of the different parts of the centres. It sets out policies which confirm the proportion of shop/non-shop uses considered appropriate within a given parade. The mix allowed is considered to be at a level which allows the range of 'town centre uses' necessary to help maintain the attractiveness of a centre but which also maintains the centre's core strength as a place for shopping. It resists the loss of shops within the primary shopping frontages where this would result in less than 80 % of the units in a parade being shops, but reduces this figure to just 66 % in secondary frontages.

3.13 For a centre to operate successfully, it is necessary for the shops to group together to allows shoppers to make comparisons. Intrusion of non-retail uses on too large a scale can inhibit this process, reducing the attractiveness of a centre, and damaging its trading position. Some non-retail uses, such as a bank, or a building society are complementary to the town centres' primary shopping function because they provide a vital local service, essential to the operation of the shops. Others, such as daytime cafes or restaurants, may be heavily used by shoppers and encourage an increase “dwell” time in the centres. However, there is a limit to the extent of such uses if the retail function of the centre is not to be adversely affected by loss of overall numbers of shops. The Council considers that the 80 % and 66 % figure (for a parade) set out within Policy CF3 for primary and secondary frontages respectively constitutes the correct balance. The ‘more generous’ allowance in secondary shopping frontages allows the diversity of uses not appropriate in the primary frontages.

3.14 A similar approach is taken with regard to concentrations of non-shop uses. In primary retail frontages a proposal which would result in two adjoining non-shop uses will not be supported. This is relaxed in secondary frontages where the loss of a shop would be supported if it were not to result in more than three non-A1 uses in a row (subject to the 66% criteria). If the operator of a non-shop A class use wishes to expand into adjoining shop premises they should locate in the secondary, not primary shopping frontage. It is the secondary shopping frontages where the greater flexibility lies.

3.15 The 80 % threshold for a parade within the primary shopping frontage is a relaxation of the approach postulated in the ‘Towards Preferred Options’ and ‘draft’ iterations of the Core Strategy which resisted the loss of any shops in primary shopping frontages throughout the Borough. Whilst this policy could be justified in terms of the Council’s Retail Needs Assessment it was not considered to allow any flexibility in terms of the introduction of any other ‘town centre uses’. The policy was therefore amended.

Allow changes from one non-shop A class use to another

3.16 A further degree of flexibility is allowed with regard the changing of use of one non-shop ‘A class use’ to another. Whilst a concentration of certain ‘A class uses’ (for example a restaurant or hot-food take away) can create dead frontage, the Council is satisfied that the 80%/66% threshold will ensure that any concentrations of particular uses which create a ‘dead frontage’ will not be so great as to significantly harm the function of the centre.

Parades

3.17 Consideration of the appropriate balance of uses by parade (a street frontage between successive intersecting vehicular highways) rather than by the centre, or primary/secondary retail frontage as a whole is also considered to add a degree of flexibility. The policy allows the introduction of a non-shop use as long as the criteria for that parade is met. The fact that there may be an 'over provision' of non shop uses elsewhere in the centre should not preclude the change of use in the parade in question. Non-shop town centre uses should be scattered thoughout the centre. The 80 %/ 66% threshold allows this "scattering" to be at a level that does not impact upon the overall character of the centre.

3.18 The different approach taken in the Portobello Special District Centre and the Notting Hill Gate District Centre reflects the special circumstances of these centres.

Specific policies for Portobello Road

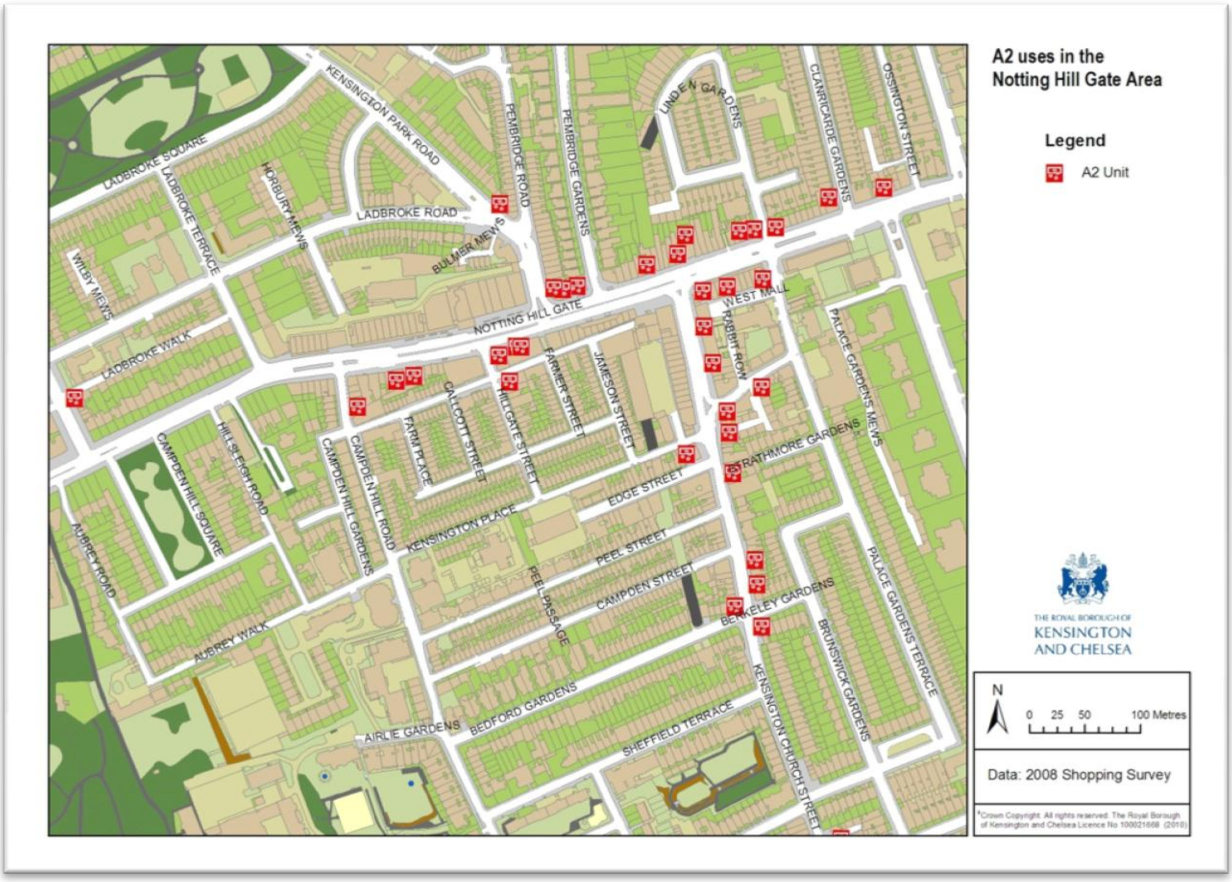
3.19 In Portobello there is particular concern to maintain the concentration of shops within the street to assist in the protection of its unique character. The best way to maintain this concentration (and in particular to attempt to protect the premises essential for the continue support of the antiques trade) is to resist the loss of any shops in the primary shopping frontage. It is the secondary shopping frontages where a greater mix of town centre uses will be supported. It should be noted that there have been no objections to this approach within the Portobello Road throughout the various iterations of the evolving plan.

Specific policies for Notting Hill Gate

3.20 Similarly, resisting the loss of shops to estate agents, bureaux de change or hot food takeaways within Notting Hill Gate, is intended to meet the specific circumstances, and concerns, in this centre. Historically, there has been a particular concentration of estate agents and, to a lesser degree, bureaux de change, within the area. This has eroded both its retail function and character of the centre. Similarly, concentrations of hot-food takeaways have eroded the residential amenity of Notting Hill Gate. Other Class A2 uses, and other non Class A5 town centre uses will be supported, where the 80/66 % criteria are not breached. Map 39.1 (below) shows the particular concentrations of A2 uses within the Notting Hill area.

Protection of retail uses above and below ground floor level

3.21 Policy CF3 seeks to protect retail uses above or below ground floor level, unless it can be demonstrated that their loss will not adversely affect the essential shopping character and function of the centre. This is considered a reasonable approach. This reflects the Council's recognition that as highly accessible areas, Higher Order Town Centres are potentially suitable locations for a range of 'town centre uses' that benefit from access to large numbers of visitors. The loss of retail floorspace may well be acceptable were it to be to one of these other town centre uses, and where its loss is not of such a scale that it does not harm the viability of the shop at ground floor level, or reduces the attractiveness of the centre to shoppers. The Council does recognise that in many cases it is the retail floor space on the ground floor which is of particular value. Loss of retail floorspace on upper floors is less likely to impact upon the 'draw' of the centre.



Map 39.1: A2 uses in Notting Hill Area (RBKC Main Shopping Centre Survey 2008)

Neighbourhood Centres

3.22 The Core Strategy offers little flexibility with regard the loss of shops in neighbourhood centres. This reflects the vital role that the fourth tier in the network of the Borough's centres plays in meeting local needs, and in reducing the need to travel by car. As such the loss of any shops within Neighbourhood Centres is regarded as regrettable. The only exception may be where the loss is to a social and community use – the other main function of neighbourhood centres.

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Question 4

Policy CF5 emphasises the protection of offices within town centres, but not at the expense of existing town centre occupiers who are in need of expansion. **Is the emphasis too great and does CF5 provide sufficient flexibility to allow for the needs of other town centre uses?**

4.0 The Council considers that the approach taken within the Core Strategy strikes the balance necessary to maintain the vitality of the Borough's centres. Offices are concentrated in the areas where they are most suited. There is, however, flexibility within the policy to support the introduction, or expansion, of those other town centre uses which also require a highly accessible town centre location.

Support for a range of town centre uses with Policy CF3

4.1 One of the purposes of the Core Strategy is to secure the success and vitality of the Borough's town centres. This forms part of the strategic objective for Fostering Vitality, (CO2) in which the Borough is "enhanced by a wide variety of cultural, creative and commercial uses." Whilst the principal function of the Borough's town centres will be as a shopping centres, (hence the introduction of criteria based policies within Policy CF3 which seek to control the loss of shops in these centres) this is not to suggest that a whole range of other "town centre uses" may not also contribute to the vitality of centres, and will not be supported by the Council. Indeed as the most accessible areas, the Council strongly supports its town centres as the location for a range of 'high trip generating use'. This is a central tenet of sustainable development and one of the driving forces behind PPS4 (Planning for Sustainable Economic Growth)

4.2 Support for the Borough's town centres containing a mix of uses runs throughout the Core Strategy, both within the development management policies and within the individual place visions for each of the centres. This is reflected by the very title of Policy CF3, "Diversity of uses within town centres", with the aim of the policy being to encourage "complementary town centre uses" which support the "success and vitality" of our town centres. Para 31.3.20 of the Core Strategy (the supporting text for Policy CF3) refers to PPS4 and lists what the Council considers to be the main uses which are appropriate within town centres. These are "retail, banks, building societies and other professional services, leisure and entertainment (including, restaurants, pubs, take-aways and cinemas), offices, arts, cultural and tourism (theatres, museums, galleries, concert halls, hotels and conference facilities.)”. Social and community uses are also appropriate town centre uses.

4.3 The majority of these “town centre” uses are greatly valued, a value reflected by the raft of policies which resist their loss – be this from within town centres or elsewhere within the Borough. Policy CK1 supports new social and community facilities across the Borough, and resists their loss; Policy CF2 supports new retail uses within town centres; Policy CF3 sets out the appropriate mix of shop/non shop uses within Higher Order town Centres; Policy CF7 supports new arts and cultural uses in town centres and Policy CF8 resists the loss of hotels, and supports new hotels in or immediately adjoining the Borough’s Higher Order Town Centres. The Core Strategy is therefore robust in its intention to resist the loss of a number of these favoured ‘town centre’ uses. It is also clear that town centres (and other highly accessible areas) are the preferred locations for wide range of “high trip generating” uses. (Policy CT1).

4.4 Offices are considered in the same way as many other town centre uses in that their loss will generally be resisted within town centres. The need to protect offices within the Borough’s town centres, and indeed across the Borough, is justified by a number of reports and updates carried out by Roger Tym and Partners on behalf of the Council.

4.5 The Council commissioned Roger Tym and Partners to carry out an Employment land and Premises Study to consider the nature of the Borough’s employment uses and to determine requirements for office uses to 2026. Roger Tym and Partners are a consultancy that specialises in the preparation of such studies. Roger Tyms published the initial study in January 2007. The Council then commissioned a further study to take into account the latest economic forecasts, latest supply data and changes if national and regional planning policies. This update was published by Roger Tyms in October 2009. It is these reports which have highlighted the need to protect offices within town centres, and across the Borough.

Projected office need in Roger Tym and Partners report

4.6 The Employment Land Review Update forecast the future demand for employment space between 2004 and 2026, based on demand forecasts. The report then compared this requirement with the planned supply to accommodate change in employment uses.

4.7 Both the original Employment land and Premises Study and the later update are available on the Council’s website. The methodology used is clearly set out.

4.8 With regard to the forecast demand, RTP use a scenario which takes account of the expected downward trend in the national economy until 2011 at which time the report anticipates that jobs will increase at the same growth rates as projected by the GLA in their 2007 employment projections. Between 2004 and 2026 a 15% increase of office jobs was predicted, or 4,700 jobs. They have called this ‘Scenario C’.

4.9 In order to translate the job numbers into floorspace RTP have uses a floorspace to worker ratio of 14.7 sq m for offices. This floorspace/worker ratio is a specific inner London ratio which originates from RTP own "Use of Business Space in London" study. This figure reflects the small size of many of the units in the Borough where there is less scope to use space as intensively as for larger units. For offices, the Borough shows an increase in office demand (2004 to 2026) of 69,200 sq m from 2004 to 2026.

4.10 RTP have also analysed supply data, data taken primarily from the Council's monitoring data. This shows that there is 46,000 sq of offices supply (from the 2004 base year), i.e. office space currently under construction, outstanding permissions, or office space having been built out since 2004. This leaves some 23,000 sq m of additional office space to be found elsewhere. Whilst 23,000 sq m is not a large figure on the strategic scale, the Council considers that careful planning is required to ensure that it can be accommodated. The bulk of this space (20,000 sq m) has been allocated in the Earl's Court and Kensal sites. The additional 3,000 is expected to be delivered by other windfall sites.

4.11 Provision of additional office floorspace outside of the two strategic sites is by no means certain. There is a finite number of sites available within the Borough, and each will be subject to competition from a number of competing uses. Given the 'higher value' of housing there is no guarantee that significant additional windfall office sites will come through. Para 6.4 of the TRP study notes that the report has "shown that in recent years the Borough has lost nearly as many office space as it has gained; for the future permitted gains outweigh permitted losses, but not overwhelmingly so."

4.12 Furthermore, the need to provide the 23,000 sq m is reliant on the retention of the existing office floorspace. Para 5.14 of the TRP report notes that "if windfall loss exceed windfall gains, then if the forecast demand is to be met in full additional land would have to be identified to replace the resulting net loss". The loss of any existing floorspace will means that additional floorspace must found from additional windfalls over the plan period.

4.13 The GLA's latest (the 2009) employment projections were not taken into account as these were not available at the time. Whilst the Employment Land Review Update figures do, as set out in para 4.8 (above) take account of the recession, the Council has commissioned a further update paper from RTP to ensure that the GLA employment predictions published in December 2009 do not suggest a different course of action. The RTP 2010 paper concludes in para 3.3 that "…there is limited known supply of new office floorspace to meet any possible demand requirement. The Borough must continue to protect its existing stock…." This paper is attached as Appendix 1 and has been added to the EIP Library.

4.14 The Council's conclusion is therefore, that in order to ensure that demand for offices is met, office floorspace will generally be protected. This conclusion is supported by the 2009 RTP study, with para 6.4 stating that "if the forecast demand for offices, and the real demand demonstrated by our market analysis, are to be met, the Council will need to control losses of office sites to other uses."

Protection of offices in town centres

4.15 Policy CF5 sets out what size of offices will be protected in differing parts of the Borough. As the most accessible locations, containing amenities for office workers Higher Order Town Centres are seen as appropriate locations for office uses of all sizes. Offices and other town centre uses have a synergistic relationship, the two benefitting from one another. Offices and office workers can benefit from high public transport accessibility, from the facilities available in the centre and from the relationship between other occupiers. In turn the centre benefits from the footfall associated with the office workers.

4.16 It is therefore a reasonable approach to protect office floorspace in town centres.

4.17 However, the Council does recognise that town centres have a finite amount of space within them and there are a number of appropriate town centre uses competing for this space. The Core Strategy aims to offer flexibility to assist in balancing the needs of the various town centre uses.

4.18 Firstly, Policy CF5 supports the loss of office floorspace within town centres to a shop. The Council considers that the success of a centre, and its ability to both attract visitors to shop and to meet the day-to-day needs of local residents is dependent on the provision of retail floorspace. Where new retail floorspace is of a scale which reflects the function of the centre it will be welcomed. This is set out in Policy CF2.

4.19 Secondly, Core Strategy (as amended) also supports the loss of an office to another non residential town centre use where this allows expansion of an existing premises. Para 31.33 of the Core Strategy explains that, whilst important, the protection of offices should not be at the expense of existing town centre occupiers, (such as restaurants, beauty salon, providers of social and community facilities) who are in need of expansion. Meeting the requirements of existing employers is integral to fostering the vitality of the Borough.

4.20 Thirdly, the Council also propose, should the Inspector be agreeable, to allow offices to be lost to a social and community use, where this use provides for local people. A highly accessible town centre location is considered a suitable place for a social and community use which can reach a wide catchment. The proposed amendments are set out within the post submission changes table, before the Inspector.

4.21 Whilst the loss of the office floorspace to any other use will have implications on the ability to meet the overall need for offices in the plan period, the promotion of retail, or social and community uses over offices, or allowing an existing non-residential town centre use to expand at the expense of an office within a designated town centre is considered appropriate. These are all uses which greatly benefit from a town centre location. Indeed if potentially large trip generators, they 'require' an accessible location (Policy CT1 of the Core Strategy and 3C.1 of the London Plan), or may be subject to the sequential test as articulated by PPS4.

Residential use in town centres

4.22 Para 31.3.20 of the Core Strategy makes reference to PPS4 stating that residential uses can be a suitable use when on upper floors of a town centre. Accordingly the policies within the Core Strategy do not rule out new residential uses on the upper floors of town centres. However, given the 'value' of residential uses above nearly all other uses within this Borough, any policy which would give carte blanche to residential uses on upper floors within town centres would result in the likely degradation of the majority of other town centre uses. This would be to the detriment of the function of centres as being vital and viable places, containing the variety of uses needed by those living and visiting the Borough. It would also degrade the Borough's economy, and conflict with the Council's over aching vision to "build on success". The success of the Borough is based upon maintaining a rich diversity of uses. Support for housing above all other uses does not build this diversity, and therefore, the Core Strategy does exclude residential uses displacing town centre uses within the town centres. A residential use may be an appropriate use within a town centre, but this does not make residential an appropriate 'town centre' use.

4.23 The Borough's centres are linear in nature, with no part being more than a few metres from the surrounding residential areas. The Borough is, therefore, fortunate in having centres which remain 'active' once the commercial uses have closed.

Public Examination of Royal Borough of Kensington and Chelsea's Core Strategy with a focus on North Kensington DPD

Royal Borough of Kensington and Chelsea's Statement

Matter 7 - Fostering Vitality

Question 5

The Council is seeking to protect hotels across the Borough except in Earl's Court Ward. Policy CF8, criterion (a), which gives effect to this, is supported by para 31.3.48 citing problems caused by poorly run hotels and a concentration of hotels in residential areas. **Is the loss of hotel bedrooms in Earl's Court Ward supported by substantive evidence of problems?**

5.0 Yes: there is evidence of a history of problems associated with concentration of hotels in the Earl's Court Ward.

5.1 Historically, it is the wards of Earl's Court, Courtfield and Queen's Gate, and to a lesser extent, Brompton, that have had the highest concentrations of hotels. Many of these hotels lie in residential streets, areas which are not generally commercial. This has caused conflict with the settled residential nature of many parts of these areas, with traffic generation, servicing, and noise from those visiting hotels (sometimes arriving late at night) not sitting comfortably with residential neighbours. The concentration of hotels in Earl's Court ward is illustrated in figure 5.1, below.

5.2 The relationship between hotels and residents has however been particularly strained in the Earl's Court Ward. This is perhaps due a combination of the high density of hotels in the area, and the 'poorer quality' of some 'bad apples'. The Council does recognise that the planning system cannot control the quality of hotels, permitting the loss of those which have a particular 'star rating'. This is beyond the remit of the planning system. Indeed the Council recognises that there may not be a direct relationship between star rating and 'neighbourliness'. A well run tourist hotel many have a lesser impact than an equally sized, yet poorly run, mid-market hotel. Furthermore, some hotels may cater primarily for tourists, whilst others take the form of temporary residential accommodation for the disadvantaged. Both lie within Class A1 of the Use Classes Order, and therefore one type cannot be 'favoured' over another.

5.3 The Council's Environmental Health team have provided a breakdown of the complaints they have received concerning hotel premises with the wards which have the greatest concentrations of hotels within them; namely Earl's Court, Brompton, Courtfield and Queen's Gate. The figures relate to complaints received (and logged) since 2002. This are included in table 5.1, below.

Ward	Total number of complaints	Number of premises involved
Earl's Court	102	28
Brompton	37	11
Courtfield	86	15
Queen's Gate	17	7

Table 5.1: Complaints received and logged by RBKC Environmental Health team concerning hotels. 2002 - 2010 Source RBKC Environmental Health Team

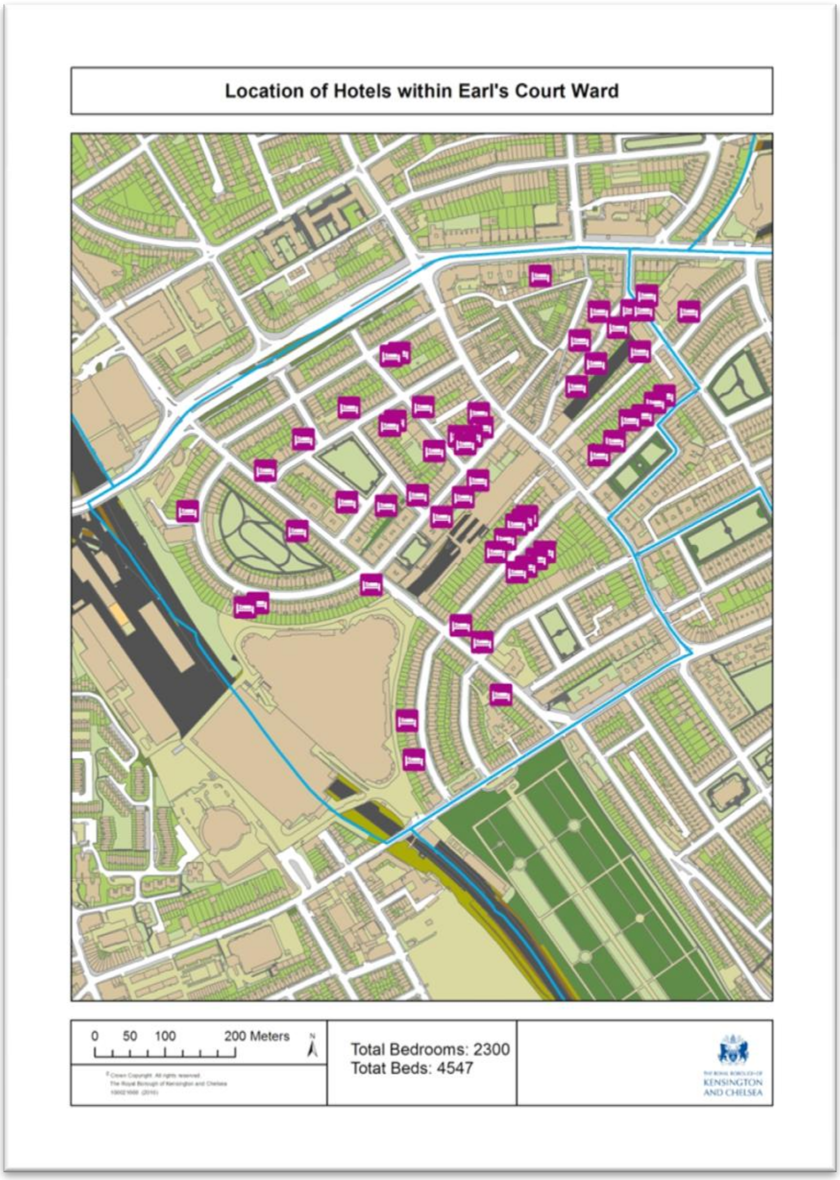

Figure 5.1 Concentration of hotels in Earl's Court ward. (Source: RBKC Hotel Survey, 2004)

5.4 This table illustrates that it the Earl's Court ward that has received the most complaints and that the complaints concern the greatest number of individual hotel properties.

5.5 The Council's environmental team have prepared a breakdown of the nature complaints received in Earl's Court. Whilst anonomised, this may be useful in giving the inspector a 'taste' of issues involved. Many of these complaints occur on a regular basis.

Hotel A	Noise, shouting, queuing
Hotel B	Noise from residents who have mental health/ behavioural problems
Hotel C	Loud music and shouting
Hotel D	Loud music, shouting and screaming though out the night
Hotel E	Loud parties taking place in hotels and hotel garden
Hotel F	Noise
Hotel G	Noise from hotel and people in street
Hotel H	Loud music, shouting and fighting
Hotel I	Loud noise
Hotel J	Loud noise and shouting
Hotel K	Loud music all night
Hotel L	Guests in hotel shouting and screaming from balcony
Hotel N	Loud music, shouting and drinking
Hotel O	Loud noise
Hotel P	Public disorder in street, drinking

Table 5.2: Nature of complaints received from RBKC Environmental Health Team concerning hotels in Earl's Court ward.

5.6 The evidence from the Environmental team is backed up from information from the relevant ward councillors. Although more anecdotal the ward councillors have their 'ears to the ground' and remain concerned that a number of hotels in the Earl's Court Ward cause ongoing problems.

Statement of common ground

5.7 The GLA have written to the Council with a draft Statement of Common Ground. In this letter, the GLA state that they would support the Council's approach to hotels were the supporting text to policy CF8 (para 31.3.48) amended to reflect, firstly that it is the Council's expectation that the Borough's hotel stock is likely to increase; secondly, that hotel stock will be monitored; and thirdly, if necessary, the policy will be reviewed. To this end, should the inspector be so minded, the Council would support amending para 31.3.48 to read:

"Whilst hotels contribute greatly to both the Borough's economy and to its reputation, they are not always good neighbours. Poorly run hotels can cause problems, and a concentration of hotels in a residential area can change the area's character. This has been the case in the Earl's Court ward. The Council does however, recognise that the benefits of hotels can be maximised and their negative impact minimised, when hotels are located in the Borough's international or major centres; when they lie close to major tourist attractions; or when they lie in areas which enjoy excellent links to Central London. The Council considers that there is likely to be a significant net increase of hotel bedrooms through the Borough (and the wider area) and is not therefore expecting the policy approach taken in Earl's Court to result in significant or strategic loss in hotel capacity in the Borough. Should evidence show this not to be the case as part of Annual Monitoring, the Council will review the policy in light of the evidence."

Appendix 1: Employment Land Update, Roger Tym and Partners, July 2010

Royal Borough of Kensington and Chelsea

EMPLOYMENT LAND UPDATE NOTE

ROGER TYM & PARTNERS
Planners and Development Economists

Final Report

July 2010

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P2033

1 INTRODUCTION

1.1 In 2007, Roger Tym and Partners undertook a full employment land review for the Royal Borough of Kensington and Chelsea. The purpose of this was to inform the emerging LDF policies.

1.2 In 2009, the Borough asked Roger Tym and Partners to review and update our earlier work and advise on the draft planning policies. At the time it was known that the GLA were about to release new employment land forecasts to the Boroughs. Using a common evidence base, the GLA employment forecasts, is one way we ensure conformity between the London Plan and the emerging LDF policies.

1.3 However, due to data errors the release of this data was delayed. Hence, it was not available to inform the 2009 update. So RTP developed a new set of forecasts to inform the update. Using this update, we found we could support the emerging policies, particularly their objective to protect the existing stock and encourage additional provision (especially for offices) where possible.

1.4 Because this conclusion was reached without reference to the 2009 GLA forecasts, this brief paper takes the opportunity to examine what, if any, material difference would the GLA forecasts have had if they have been released earlier? Would these forecasts have led us to a different conclusion and, particularly, would we have advised changes to the emerging policies?

1.5 Therefore, this paper first looks at the number of new jobs to be provided in Kensington and Chelsea, comparing our 2007 report, our 2009 update report and the new 2009 GLA demand numbers.

1.6 We also look at the London Office Policy review which used the 2009 GLA numbers to provide more detailed advice about offices in London.

1.7 We discuss a small number of potential differences between the various data. This includes the impact of using slightly different assumptions about employment densities and also different estimates of total jobs in the Borough.

1.8 Finally, we briefly re-examine the conclusions of our late 2009 update study which supported the emerging policies.

2 HOW MANY JOBS?

2.1 The starting point for most employment land studies is an estimate of how many net additional jobs the area will need to accommodate in the future. We look at this and use it as a guide to see if the area can afford to lose employment land, because we expect it to accommodate fewer jobs, or needs to maintain and grow the stock of sites because we expect the area to accommodate more in the future.

2.2 This is a well established method, supported by the ODPM Guidance Note on Employment Land Reviews (2004). It is also used by the GLA in the London Office Policy Review series.

2.3 Although job forecasts are our starting point, they are not without their drawbacks; they should not be adopted crudely or wholesale into local development documents without further close scrutiny. As strategic numbers, they do not benefit from the close examination of the local economy and property market which is afforded by a full employment land study.

2.4 As discussed at length in our 2007 and 2009 studies, the local Kensington and Chelsea economy has its quirks, including a vibrant creative industry sector and market demand for industrial space despite some earlier forecasts indicating a decline in this type of space. These trends are not always apparent from the strategic job forecasts. In the employment land studies, local consideration of these issues has informed our policy recommendations, and in turn, the emerging local policies.

2.5 For Kensington and Chelsea, our previous work has always shown that the Borough will need more land for new offices in the future. For general industrial the loss of any floorspace must be carefully controlled.

2007 Employment Land Study

2.6 In our 2007 study, the evidence for this conclusion was based on pre-recession 2004 GLA forecasts. These showed that between 2001 and 2021 the Borough needed to provide for 8% more B space jobs in total. Office jobs were forecast to grow by 17%, requiring 115,000 square metres of net additional stock.

2.7 The study could not identify sufficient land to accommodate all this demand. There were no large development sites for new offices. We found that most of the Borough's supply was short term, unpredictable, windfall type development, which the Council has very little control over.

2.8 The general industrial sector was forecast to lose jobs and, accordingly, floorspace. But our evidence (including site surveys and a business survey) showed most sites were well occupied and the loss of sites should be discouraged.

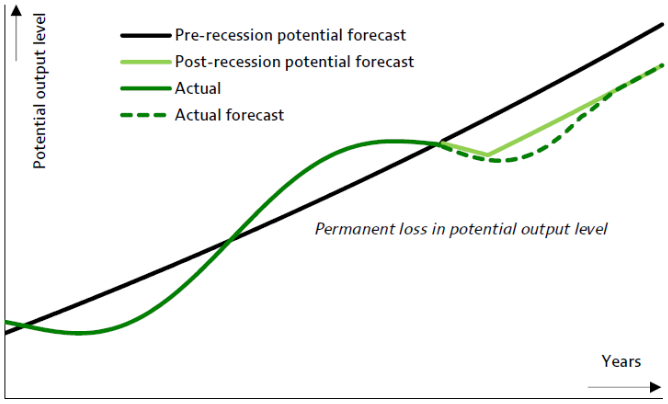
The 2009 ELR Update

2.9 In 2009 we re-tested our conclusions using a set of updated employment forecasts (again provided by the GLA) but amended by us to take into account, as far as possible, the recession.

2.10 How we developed these forecasts is shown in detail in our 2009 report. But in summary our preferred scenario assumed that the recession had caused a one off, permanent loss of output. Total jobs delivery over a fixed period would now be lower than we assumed in our 2007 report as illustrated in Figure 2.2 below.

2.11 Direct comparison between the reports is complicated because they use different time periods but our 2007 report planned for a net additional 6,300 office jobs over a 20 year period. Our 2009 report planned for a net additional 4,700 jobs over a slightly longer period.

Figure 2.1 A recession causing a one-off permanent loss of output



Source: IFS Green Budget 2010

2.12 The practical implication for this was that the amount of new office space we expected to provide was much lower; only 69,000 square metres of net additional floorspace in our 2009 report compared to 115,000 square metres in our 2007 report.

2.13 Although the quantity of space was lower the conclusions and policy recommendations developed in 2007 remained the same. The underlying absence of new land allocations and a reliance on unpredictable windfall development re-affirmed our cautious recommendation that the Borough should not lose existing office floorspace; and should encourage new floorspace where possible.

2.14 For general industrial jobs our 2009 report estimated a small decline in employment over the 2004 – 26 period; but this decline was very small and well within any margin of error. This again confirmed out cautious approach to any loss of industrial and warehouse space.

GLA 2009

2.15 As we have noted, the GLA released their updated forecasts too late to be included in our update report. They were finally released in November 2009.

2.16 Below we compare our Scenario C, the preferred scenario used in our 2009 update, with the new GLA forecasts (termed Scenario ‘D’ / Sc D).

Table 2.1 RBKC Net Additional Jobs 2004 – 2026

Jobs	Office	G.Ind.	All B
New GLA 2009 (Sc D)	6,198	-357	5,841
RTP 2009 Update (Sc C)	4,704	-180	4,524
Difference	1,494	-177	1,317

Source: RTP

Offices

2.17 As can be seen the new GLA forecasts are more optimistic, suggesting a slightly higher office job growth than our Scenario C – 1,500 more office sector jobs.

2.18 Given the stock of office jobs in the Borough (over 32,000), the difference between the two is not significant. If anything, the slightly more optimistic new GLA forecast strengthens the recurring conclusion that the Borough must protect its existing office stock and identify new opportunities where it can. The Borough could adopt a slightly higher target for new office provision than we previously thought[1].

2.19 The fact that the new GLA numbers closely match scenario C gives us more confidence that the policy line, developed originally in our 2007 report and confirmed in 2009, can be justified using the latest available data.

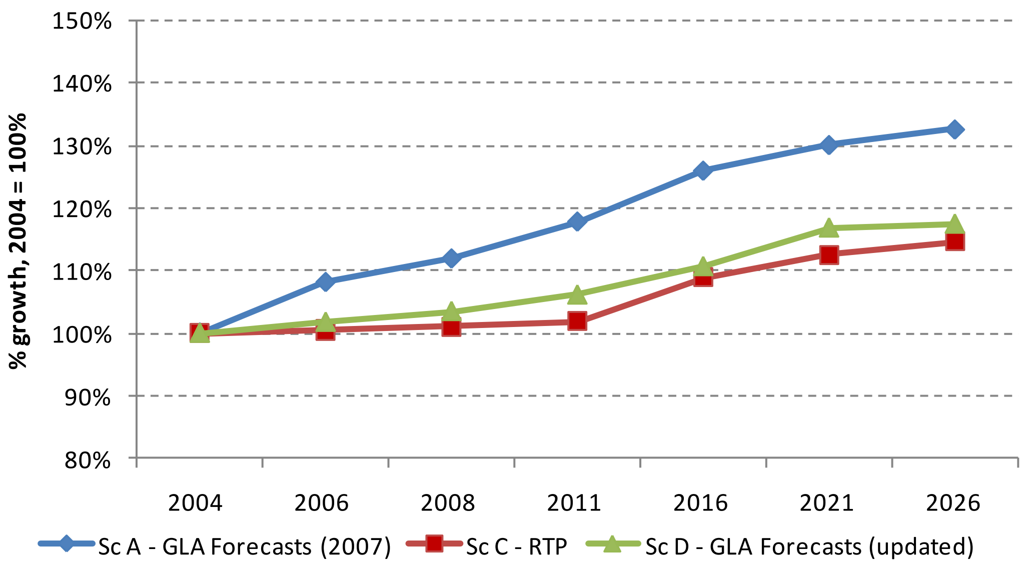
2.20 The chart below shows the difference between the various scenarios:

- Scenario A: the original 2007 pre recession GLA forecasts used as a stating point in our 2009 report.
- Scenario C: the amended (by RTP) forecasts used as our preferred scenario in 2009[2].
- Scenario D: The new 2009 GLA forecasts; released after our 2009 report was completed.

[1] Because the difference is small and leads to no change in our advice we don't advise changing the target.

[2] Scenario B assumed we could makeup for the non delivery of jobs after the recession. This scenario was dismissed.

Figure 2.2 RBKC Office Employment Forecasts (2004 index)



2.21 We index these numbers because the GLA made a further important revision in their 2009 update. They re-estimated the stock of office jobs in the Borough.

2.22 In 2007 the GLA estimated that office based employment accounted for just under 25% of the Borough's total employment. But in 2009 they estimated around 28% of the Borough's total employment was in offices[3]. This adjustment only affects the stock of existing jobs, in existing floorspace and does not affect what new space should be provided in the future. The net change in jobs over the 2004 – 2026 period remains similar; as shown in figure 2.1.

General Industrial

2.23 As we have noted in previous reports, the local industrial sector in K&C is very small; around 7,800 jobs. Looking at past employment change, the sector is extremely volatile where each year job estimates fluctuate by 1,000 or so.

2.24 The new GLA forecasts are slightly more pessimistic about industrial employment than we were in 2009; however, the numbers are so small, that they are well within any margin for error. By 2026, the new GLA forecasts expect slightly fewer jobs than Scenario C. The difference between scenario C and GLA 2009 is 2% of the existing stock of jobs.

2.25 Interestingly, the new GLA numbers show some growth in the sector between 2004 and 2011; however, we treat this with caution because of the small sector size. The new 2009 GLA numbers show no justification to depart from the established policy stance of protecting the existing stock.

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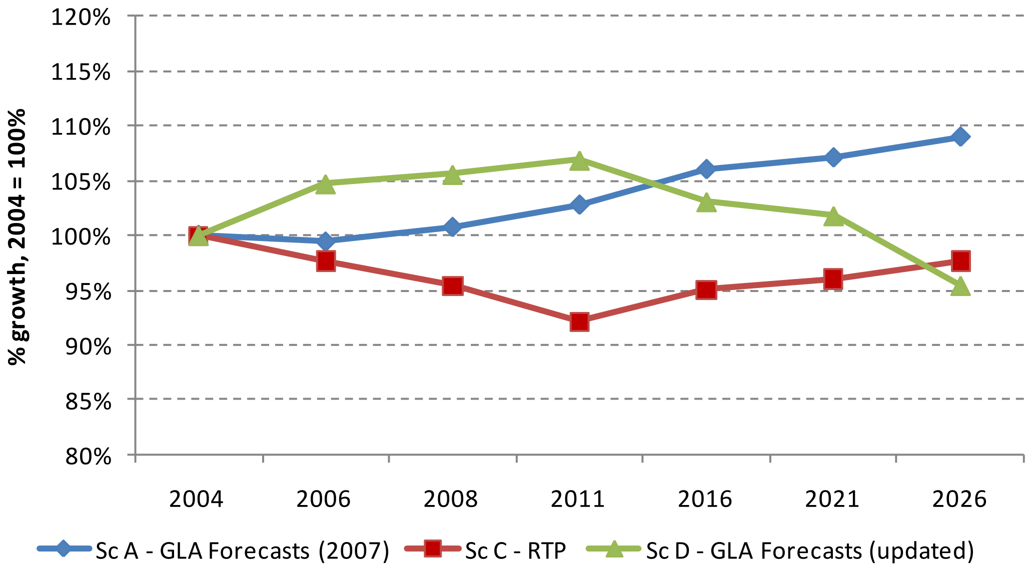
[3] The ONS often makes revisions to data and we also know from our 2007 study that official statistics can under-record office jobs in the Borough. Also over time, the definition of B space sectors has also improved.

Figure 2.3 General Industrial Employment Forecasts (2004 index)



Comparison with the 2009 London Office Policy Review (LOPR)

2.26 The analysis above shows that there is no material difference between RTP Scenario C, used in our 2009 update study and the newer GLA forecasts (Scenario D).

2.27 However, along with the GLA forecast job numbers the GLA also published the 2009 London Office Policy Review. The LOPR provides more strategic detail for offices than the employment forecasts alone. It translates the job numbers into office floorspace.

2.28 The analysis presented in LOPR is not directly comparable with the analysis above, nor the targets used in Kensington and Chelsea. This is mainly because the LOPR covers a different time periods: 2007 - 2031. This is important to consider because the underlying forecasts are not simply linear forecasts; sectors grow and decline over time[4].

2.29 A further complication is that LOPR suggests the use of new employment densities. It suggests using a 1:12 square metre employment density as opposed to 1:14.7 used by RTP in our 2009 update study (both are net).

2.30 The difference between the two assumptions is small[5]. Using a 12 sqm per worker density as opposed to 14.7 reduces our Scenario C by only 13,000 square metres[6]. However conversely we know, as discussed above, that the GLA is slightly more optimistic about job delivery between 2004 and 2026 than our Scenario C.

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[4] LOPR forecasts a small decline in the Boroughs office jobs post 2026 which is not immediately obvious from the data presented in the report.

[5] We are cautious about these aspirational densities because while they may be appropriate for large office schemes, which is probably the majority of new office provision in London, we know from our 2007 report that the K&C office market has a large number of smaller units, often specialising in media, culture, etc. where there is probably less scope to use space more intensively.

[6] LOPR uses a lower density because it makes an assumption densities will continue to fall over time. We prefer to be cautious, keep densities under review and make adjustments if needs be in later ELRs (as we did between 2007 & 2009).

2.31 The two adjustments made in LOPR go someway to cancelling each other out.

2.32 The table below illustrates the demand for new office space estimated using the new GLA forecasts (used as an input to LOPR) for both the LOPR preferred employment density (12 square metres per worker) and ours (14.7). The table also shows our Scenario C again calculated using both densities. The preferred recommendation for each report is shown in red bold.

Table 2.2 RBKC Office Floorspace Demand 2004 – 2026

Sqm	12.0	14.7	Difference
Sc C - RTP (4,700 jobs)	56,451	**69,152**	-12,700
Sc D - 2009 GLA Forecasts (6,200 jobs)	**74,370**	91,103	-16,733

Source: RTP & GLA

2.33 The difference between the two preferred scenarios is around 4,000 square metres –an insignificant quantity given the stock of floorspace in the Borough.

Updating to 2008

2.34 Our previous work for the Borough maintained a 2004 base date, as originally used in our 2007 report and the corresponding GLA forecast numbers.

2.35 We know from our 2009 report that over the 2004 – 2008 period the Borough developed 9,000 square metres of new (net additional) office space[7]. So if we subtract this delivery, the Borough needs to provide only 60,000 square metre of net additional office floorspace between 2008 and 2026.

[7] Note: As discussed in our earlier reports the VoA floorspace change data is unreliable over this period because of the 2005 revaluation.

3 CONCLUSIONS

3.1 Neither the new GLA 2009 forecasts nor the related 2009 London Office Policy Review give us any reason to question the conclusions and policy recommendations first developed in our 2007 report for Kensington and Chelsea.

3.2 Kensington and Chelsea still needs to plan for a growing office sector.

3.3 Our 2009 update report is slightly more pessimistic than subsequent estimates by the GLA; a slightly higher target could be justified. But we don't suggest the Borough now depart from targets already being promoted in emerging policies. The difference is quite small, fewer than 70 jobs per annum, and we know the forecasts are not that precise. The plan needs some stability and targets are always likely to change slightly in each round of forecasting.

3.4 The important conclusion for the emerging policies remains the fact that there is limited known supply of new office floorspace to meet any positive demand requirement. The Borough must continue to protect its existing stock (because it cannot easily be replaced) and seek additional windfall development where possible.

3.5 For general industrial land the new GLA forecasts support our stance that the loss of industrial floorspace stock should be resisted. The GLA expect the Borough to accommodate a similar number of jobs by 2026 as today; with some small growth in the intervening years. As with office space there is very limited opportunity to replace any space lost from windfall redevelopment to non B space use. In most cases the loss of existing space cannot easily be replaced by new provision, on new sites, elsewhere.

Note for References:

Both the 2007 RBKC Employment Land Review and our 2009 update are available on the Councils website:

- http://www.rbkc.gov.uk/pdf/20%20Final%20Report%20K%20%20C%20Employment%20land%20Study%20Mar%2007.pdf
- http://www.rbkc.gov.uk/pdf/ELPS%20Update%20October%202009%20FINAL.pdf

The new 2009 GLA demand numbers and the 2009 LOPR are detailed on the GLA web site:

- http://www.london.gov.uk/who-runs-london/mayor/publications/business-and-economy/employment-projections-2031
- http://london.gov.uk/who-runs-london/mayor/publications/planning/london-office-policy-review-2009