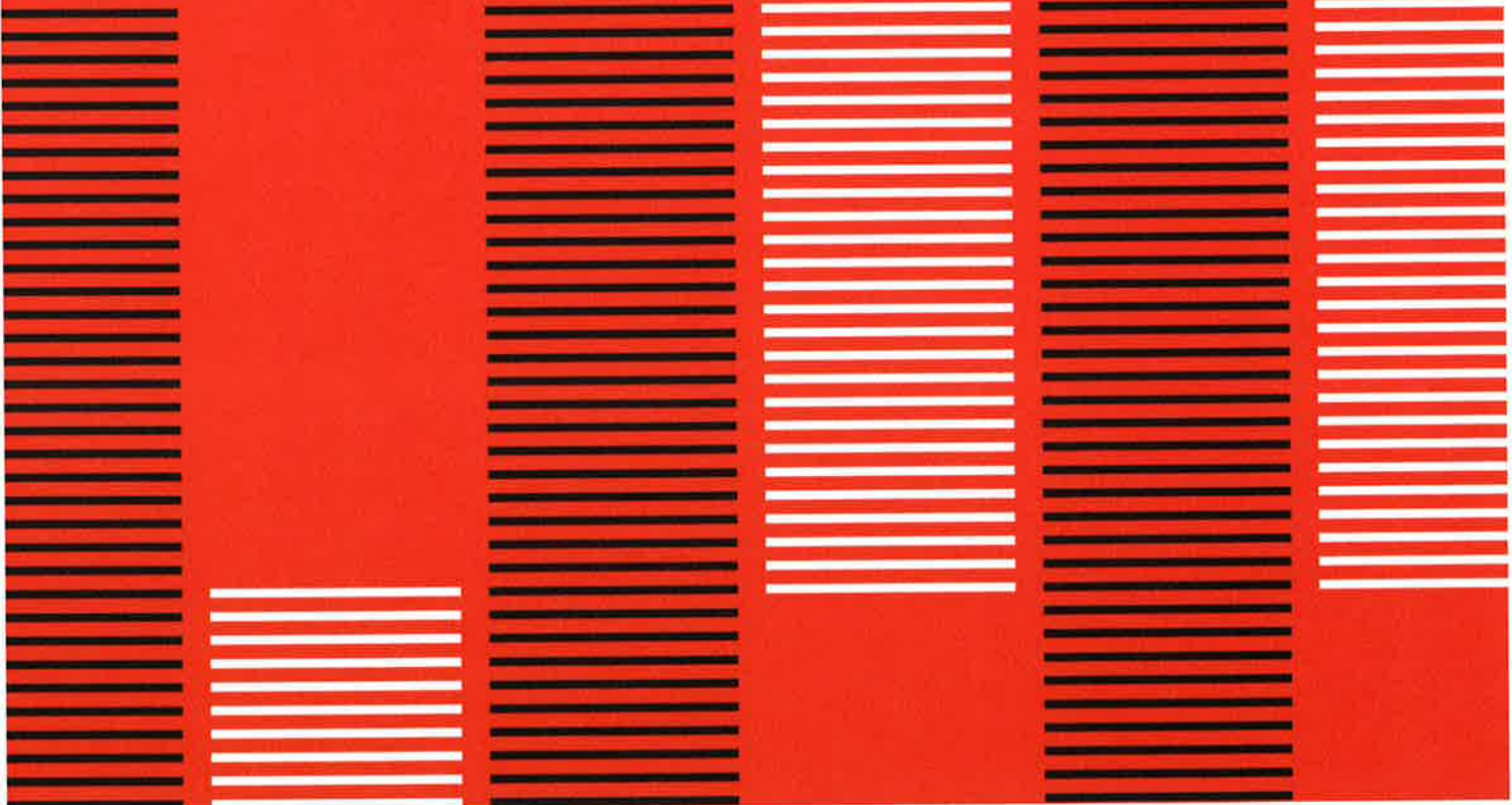


The London Planning Practice Ltd

Position Statement submitted on behalf of
Highlife Developments Ltd in respect of
Royal Borough of Kensington and Chelsea
Core Strategy Submission version

July 2010



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INTRODUCTION

1.1 This position statement is submitted on behalf of Highlife Development in respect of the Royal Borough of Kensington and Chelsea Submission Core Strategy with a Focus on North Kensington Development Plan Document July 2010.

1.2 This statement focuses on the key planning policies and justifications contained within the Core Strategy which relate to residential development in the borough and in particular policy CH2 which addresses housing diversity and includes affordable housing.

1.3 This statement will amplify the existing representations made by LPP in respect of various clients in relation to policy CH2 its relevant supporting text.

1.4 This statement is triggered by Highlife Developments need to respond to the officer's comments on the initial representations and the publication of further changes to the policy, text and other evidence following the submission of the original representations.

1.5 This statement will therefore summarise the original representations and amplify these where necessary to identify the main areas of the plan which Highlife Developments consider to be unsound. The context within which these parts of the plan will be assessed are as follows;

- Area of the plan that is unsound
- The soundness test that it fails
- Why it fails
- Recommended changes to policy in order to make it sound

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BACKGROUND

- 2.1 The relevant consents for the site know as 'the Power House, Alpha Place, 73 – 79 Chelsea Manor Street are set out within the table below, the grant of PP/07/03004 allows for the development to be implemented on or before March 2011 and the demolition of the existing buildings has been completed. It should be noted that the s.106 agreement requires the provision of the affordable housing units in the following mix; 4 x 1 bed, 2 x 2 bed and 7 x 3 bed.

PP/06/2821	Demolition of existing buildings and erection of a replacement residential building, comprising 38 apartments, with ancillary health suite, parking and landscaping, together with widening of the existing crossover.	Granted subject to s.106 agreement 13/03/2007
PP/07/03004	Removal of Condition 11 of Planning Permission PP/06/02821 which states that no demolition pursuant to the permission shall commence until a binding contract for the carrying out of the building operations hereby permitted has been entered into.	Granted subject to s.106 agreement 17/03/2008

- 2.2 The extant permission allows for 25 market units and 13 affordable units, the mix of which is set out below.

Consented Scheme	
Market	Affordable
4 x 2 bed	4 x 1 bed
17 x 3 bed	2 x 2 bed
3 x 4 bed	7 x 3 bed
1 x 5 bed	0 x 4 bed
25	13

- 2.3 Whilst demolition has taken place the terms of the section 106 stipulated that such work would not be classified as development in this instance and therefore the consent has not been implemented. The site has been on the market for some time.

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PLANNING POLICY FRAMEWORK

3.1 Section 20 (5) of the Planning and Compulsory Purchase Act 2004 requires that the purpose of an examination is to determine in respect of a development plan:

- *“Whether it satisfies the requirements of sections 19 and 24 (1), regulations under section 17 (7) and any regulations under section 36 relating to the preparation of development plan documents;*

- *Whether it is sound.”*

3.2 The test of soundness is provided within PPS 12 (para 4.52) which states that a core strategy should be:

- (i) Justified
- (ii) Effective
- (iii) Consistent with national policy

3.3 Policy CH2 and supporting text of the Core Strategy for RBKC is not considered to be 'sound' when taking into consideration the reasonable tests set out in the document 'Local Development Frameworks Examining development Plan Documents : Soundness Guidance July 2008'.

3.4 The first test on soundness is the most applicable to this case as it relates to whether the DPD can be justified.

3.5 Other regional and national policy guidance is relevant to the considerations in this statement and they will include:

- The London Strategic Housing Land Availability Assessment and Housing Capacity Study 2009.
- Mayor of London 2008 Strategic Housing Market Assessment Executive Summary, April 2009

- Royal Borough of Kensington and Chelsea , Strategic Housing Market Assessment (SHMA) Main Report November 2009, Fordham Research
- Mayor of London, 2004 London Housing Capacity Study, July 2005
- Royal Borough Kensington and Chelsea, Affordably Housing Viability Study, Final Draft Report September 2009. Fordham Research

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TEST OF SOUNDNESS

4.1 The following section will consider the soundness of the Core Strategy in relation to the tests identified within PPS12 and “Local Development Frameworks Examining Development Plan Documents: Soundness Guidance July 2008”. It will focus on the following

1. Which part of the policy is unsound?
2. Which soundness tests does the policy fail
3. Why does it fail
4. How can it be made sound

1. Which part of the policy is unsound?

4.2 Policy CH 2 i – k sets out the Council’s proposed affordable housing criteria policies on the basis that:

“i) require the maximum reasonable amount of affordable housing with the presumption being at least 50% provision on gross residential floor space in excess of 800sqm;

j) require the provision to be in the form of a commuted sum in lieu of affordable housing where less than 1,200qm of gross external residential floor space is proposed.

k) require affordable housing provision of affordable homes on site where more than 1,200sqm of gross external residential floor space is proposed unless exceptional circumstances exist.”

This part of the policy is considered unsound.

2. Which soundness tests does the policy fail

3. Why does it fail

4.3 In the formulation of the above policy the Council appear to have relied largely upon the Affordable Housing Viability Study, Final Draft September 2009 by Fordham Research (hereafter referred to as AHSVS). This research raises a number of questions;

4.4 S11 of the executive summary sets out the 'model approach' followed by Fordhams when considering comparative land values of the assessed and theoretical sites and in calculating the alternative use value. Their 'model approach' is as follows;

- i) where the development is on form industrial, warehousing or similar land, then the alternative use value is considered to be industrial, and an average of value of industrial land for the area is adopted as the alternative use value
- ii) where an existing building remained capable of beneficial use we took its estimated value

4.5 It is generally accepted that an alternative use value can be used when there is 'reasonable prospect' of gaining consent for that use. The GLA toolkit states that alternative use values can be used where the site either has a planning consent or a land use zoning for the specified use. 73 – 79 Chelsea Manor Street has not been 'zoned' for industrial use and it is considered that there are alternative uses which may be appropriate here, including for example, a hotel use. The approach that Fordham have taken in using industrial land as the alternative use value is considered to be flawed.

4.6 Policy CH2 puts forward that 'at least **50%**' of gross residential floorspace should be given over to affordable housing. Paragraph S15 of the AHSVS states that ' the evident suggests, in our view that a 40% target, based on

floorspace, would be the highest that would be reasonable to put forward in the present circumstances' .

- 4.7 Policy CH2 requires that 'at least' a 50% provision of affordable housing is provided where the threshold of 800 sqm gross residential floorspace is proposed. Paragraph S16 AHSVS states that the proposed 800sqm threshold corresponds to the London Plan proposed minimum of 10. This statement is correct, but only if the scheme provides 10 units of 80 square metres. The Council's housing need study stipulates that the main housing need within the private sector is for family units and that private schemes should bring forward schemes which contain 80% 3 and 4 bedroom units.
- 4.8 Within the proposed 800 sqm threshold a 'mix' compliant scheme could only be provided if the 'family' units were no larger than 84 sqm and the smaller units were 60 sqm each. This is in respect of each individual unit and does not allow for corridors, circulation space and cores all necessary to facilitate a development.
- 4.9 The Royal Borough have identified within their housing needs study acknowledges the presence of the 'super prime residential market' within the borough and notes that this makes up an important part of the borough's character, it also notes that the super prime supply will shrink in future years, potentially resulting in unmet demand in this sector. IT is considered that the proposed threshold of 800sqm does not acknowledge the superprime market, where commonly 1 bedroom flats are in excess of 150 sqm. The threshold could result in the providers of such accommodation being driven to nearby Westminster, which has an established target of 1000 sqm for 10 units or more and the borough may lose part of its essential character as a result.
- 4.10 There is also no indication of how the commuted payment towards affordable housing will be calculated by the Council. This forms an important element of this policy and should be considered in relation to the actual mechanism for seeking such payments.
- 4.11 This part of policy CH2 is not considered to be properly justified within the evidence documents, will therefore not be effective and is not consistent with

regional policy which requires housing need to be taken into account and in this respect if fails the soundness test.

4. How can it be made sound

- 4.12 It is suggested that if a floorspace threshold is considered appropriate, it should be at least 12,500sqft, to allow for notional capacity to reflect reasonable sized units and the Council's dwelling mix policy. Any commuted payment should be introduced on thresholds above 15,000sqft.
- 4.13 There is also no indication of how the commuted payment towards affordable housing will be calculated by the Council. This forms an important element of this policy and should be considered in relation to the actual mechanism for seeking such payments.