



# Responses to the Inspector

## Matter 10: Diversity of Housing

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 10 – Diversity of Housing

#### Question 1

*The Council is seeking to ensure new development is provided so as to further refine the grain of the mix of housing across the Borough and Policy CH2(a) includes a requirement for a mix of house sizes. Should the Policy require a higher proportion of family sized units to meet the need identified by the Housing Assessment?*

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- 1.0 *No, Policy CH2 recognises the need for additional family housing, but the Council has taken the view that rigid adherence to a specific housing mix is an inappropriate approach for the Core Strategy as such standards need to be related to individual site circumstances and should be able to reflect changes over time. The level of detail for achieving an appropriate mix of housing is thus more properly contained within an SPD.*
- 1.1 The Council's Strategic Housing Market Assessment (SHMA) sets out the Council's ideal mix for future housing developments.
- 1.2 These are set out in the table below.

SHMA 2009 Require ments		Percentage, by bedroom			
		1 bed	2 bed	3 bed	4+ beds
	<b>Social rented</b>	2	43	13	42
	<b>Intermediate</b>	13	55	31	1
	<b>Private</b>	0	21	43	36

- 1.3 Paragraphs 7.25 to 7.27 of the SHMA discuss these proportions for private market units, intermediate housing and social rented housing, for the requirements by households resident in the Borough. It is a forward looking analysis – looking ahead twenty years. The requirements therefore relate to the size profile recorded currently and implied change to dwelling stock needed in the future.
- 1.4 The SHMA concludes that for market housing some 42.8% of new market dwellings should be three bedroom properties, with 35.8% containing four or more bedrooms and 21.4% having two bedrooms. The results show that no additional one bedroom accommodation is likely to be required as future demand can be met by the stock currently available.

- 1.5 For intermediate housing the data indicates that of the 368 additional intermediate dwellings required within the Borough, over half should be two bedroom properties with a further 30.8% three bedroom accommodation.
- 1.6 For the social rented sector of the additional social rented units required within the Borough over the next twenty years, 43.0% should be two bedroom properties and 42.1% four bedroom accommodation, with only 13% requiring three bedroom properties.
- 1.7 Policy CH2 reasoned justification recognises, at paragraph 35.3.11, that it would be unrealistic to require dwellings built to conform with the exact ratios. This is because given the constraints of the existing townscape in the Borough which is of medium rise high density there must be some flexibility regarding how the ratios are applied. For example, the provision of large amounts of family housing which requires gardens would challenge the approach. Gardens are not, of course, essential for family housing, but recognised to be highly desirable. They are not always possible for townscape reasons. There are, therefore, schemes which are less suitable for a large proportion of family housing.
- 1.8 With this in mind, each site needs to be approached on an independent basis, taking account of individual circumstances, and relying on the evidence to allow developments to get as close to these standards as is reasonable to each site.
- 1.9 It should be noted that the Council intends to explain how to achieve the housing mix in an SPD on housing which appears in the Council's Local Development Scheme, for adoption by March 2012. There are too many constraints within the Borough for a blanket approach. The Core Strategy ought not to be overly prescriptive for dwelling size mix, where it is more appropriate to have the mix in an SPD. The Core Strategy is not the appropriate vehicle to take account or update the mix which will vary over time.
- 1.10 Family housing provision is not only supported by Policy CH2, but by other policies in the Core Strategy which require the commensurate provision of appropriate infrastructure, e.g. new schools and extensions to existing schools (Policy C1). Others policies in the Core Strategy protect the character of areas of the Royal Borough which are characterised by family housing to ensure that they continue to thrive. For example, our approach to deconversions is to generally permit a net loss of five units where permission is required to enable larger family dwellings to be established – see Policy CH2(f), whilst striking a balance with the loss of residential stock by resisting the loss of six units or more.
- 1.11 Core Strategy Policy CH2 seeks to provide an appropriate range and mix of self contained accommodation types and sizes, including family sized accommodation on suitable sites and in house subdivision/conversion schemes. It recognises the overall shortage of all sizes of affordable homes, and the SHMA identification that there is an identified shortfall in market housing for three and four bedroom homes against

existing supply (Para 35.3.10). These three and four bedroom homes are family sized dwellings. This evidence will be crucial for determining the dwelling mix of any scheme and will be applied by the Council in a flexible manner recognising the townscape constraints of the Borough. However, it can also be useful evidence in an appeal situation and the Council will not hesitate to refuse a planning application on dwelling mix if they are not satisfied that robust evidence has been provided which provides justification for departing from the dwelling mix, as laid out in the SHMA. On this basis, there is no further justification required in the Policy itself.

# 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 10 – Diversity of Housing

#### Question 2

*Criterion (b) requires residential developments, including conversions, etc., to meet standards on floorspace and floor to ceiling heights, although neither the Policy, nor para 35.3.12 specifies the standards. Is there evidence to support the requirement for such standards, where can the standards be found, and how will they be applied in practice?*

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- 2.0 *The basis for the policy is evidence driven. Recent research by CABI demonstrates that the UK has the smallest new houses in Europe. The policy is in conformity with emerging London Plan policies requiring housing standards, and the draft London Housing Design Guide. The floorspace and floor to ceiling height standards can be obtained from the draft London Housing Design Guide, and in a forthcoming Supplementary Planning Document outlined in the Council's Local Development Scheme. Standards relating to Lifetime Homes, and Wheelchair accessibility standards are widely available, and are referred to in the Council's Access SPD. Every policy is applied in the context of other policies in the Core Strategy, and other material considerations. However, for clarification, an amendment is proposed if the Inspector is minded to regard it as acceptable. This has been recommended following the pre-submission consultation period.*
- 2.1 It is noted that the use of housing standards and the design of good quality housing is an issue that is important to London as a whole and not just the Royal Borough. The concern regarding substandard housing and the potential overdevelopment of sites has been recognised by the Mayor of London and as a result minimum space standards are introduced in the Draft Replacement London Plan through Policy 3.5, Table 3.3 and new draft Supplementary Planning Guidance: London Housing Design Guide.
- 2.2 Whilst at the top of the market super-prime housing developments in the Royal Borough have been characterised by high floor-to-ceiling heights and generous floorspace, some private housing (of the non super-prime luxury type) has been proposed with sub-standard floorspace requirements. New build housing may often meet the standards, but in the past there has been a tendency for flat conversions to provide the maximum number of units in an existing property and this can result in very small or unsuitable residential units. Affordable housing space standards are controlled by the Homes and Community Agency's criteria and these demonstrate that having specific standards can result in higher quality and more suitable social housing.

2.3 It should be noted that additional policy-flexibility has already been suggested, through a recommended change made following the pre-submission soundness consultation. If agreed this would overcome the concerns regarding rigid application and adherence to standards. The recommended change states that:

**“Where compliance with the above standards is not possible because of other policy requirements, to require new residential developments to demonstrate that all reasonable measures to meet them have been taken”**

2.4 The above recommended change introduces an element of flexibility as applied to buildings which may fail to meet the standards for justified reason, for example heritage assets. The approach is in line with PPS5 Planning for the Historic Environment. It does not, however, apply exclusively to heritage assets. This recommended change ensures that the default policy position assumes that standards will be met, but accepts that in certain cases, as assessed on a case-by-case basis, there may be a justifiable instance where the standards cannot be fully applied.

2.5 The approach is therefore justified and credible. It brings the policy in line with PPS5 requirements, in particular that *“understanding should be used by the local planning authority to avoid or minimise conflict between the heritage asset’s conservation and any aspect of the proposals”*. The change goes further, by not restricting the flexibility to listed buildings or other heritage assets, whilst maintaining the default position that standards should be met, as far as is reasonably practical. It is then, through the operation of the policy, that the significance of the other considerations can be weighed against the need to adhere to standards.

#### **Where can the Standards be Found?**

2.6 The policy requirements will be developed further through a Housing SPD, time tabled in the Local Development Scheme to be adopted in March 2012. They are therefore justified to act as assurance that developments will comply with supplementary guidance.

2.7 Until the Council’s SPD is in place, a range of sources supply the information on standards, all of which are considered justified and readily available. The Mayor’s draft London Housing Design Guide will be supplementary to the London Plan. This contains draft standards relating to floorspace and floor to ceiling heights. The Council has also published a Housing Standards SPG (July 2002)<sup>1</sup>, which contains information on housing standards.

2.8 Both Lifetime Homes standards, and the Wheelchair Accessibility standard target of 10%, are London Plan requirements. The Council’s Access SPD explains the standards in more detail.

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<sup>1</sup> <http://www.rbkc.gov.uk/planningandconservation/planningpolicy/supplementaryplanning.aspx>

### **Applying the Standards in Practice**

- 2.9 The recommended change discussed above introduces flexibility in the application of the policy.
- 2.10 However, it is not considered that listed buildings, or other assets, have an automatic right to opt out of meeting the full range of standards. Indeed, in a Borough with a significant number of listed buildings, such proposals are commonplace and the Council would look for the standards to be applied.
- 2.11 In practice the Council is well experienced in applying various standards. Every policy is applied in the context of other policies in the Core Strategy, and other material considerations. For example, application of standards to buildings within the Borough's historic townscape requires that careful consideration of each case on a site-by-site basis, taking account of all factors including the historic value of the heritage asset. One example of this is the use of a listed building as a House in Multiple Occupation (HMO) where the heritage assets of the property and the provision of low cost private market accommodation are weighed up, and suitable balance is struck depending on the merits of individual schemes.
- 2.12 Similarly, in applying the housing standards referred to in Policy CH2(b), together with the recommended change, a degree of flexibility will be required in order to assess the impact of strict adherence to the standards as weighed against all other relevant policies in the Core Strategy. Where meeting the standards is not possible due to other policy requirements, then the policy allows for a judgement to be made as to whether or not they should be fully complied with.
- 2.13 The overall approach to housing standards is considered justified and credible. Research by CABI demonstrates that the UK has the smallest houses in Europe<sup>2</sup>. The proposed amendment introduces a degree of flexibility and brings the policy in line with PPS5 requirements. If proposals attempt to adhere to the standards, leading to conflict with conservation of the heritage asset, it is likely that the significance of that asset will need to be weighed against the need to adhere to a particular standard. However, each case will continue to be treated on its merits and the Council is experienced in dealing with such cases.

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<sup>2</sup> <http://www.cabi.org.uk/news/new-homes-are-too-small-for-everyday-life>

## 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 10 – Diversity of Housing

##### Question 3

*The affordable housing requirement is stated in CH2(i) as being at least 50% provision on a gross floorspace in excess of 800sm. Can this requirement be justified in the context of national, PPS3, and London Plan policies?*

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3.0 *Yes, Policy CH2 is considered to be consistent with national, PPS3 and London Plan policies. Their requirements are summarised below, with an explanation of how Policy CH2 meets them in setting a 50% affordable housing presumption on sites in excess of 800 square metres. Policy CH2 provides the framework whereby mixed communities will be delivered. The Council conducted a Strategic Housing Market Assessment in accordance with the advice in PPS3, and has developed policies based on the findings, with the intention to deliver housing diversity, which is fundamental to London Plan and PPS3 objectives of the creation of mixed communities.*

#### **Affordable Housing Delivery: Policy CH2**

- 3.1 The Council considers that the key elements of any affordable housing policy should be the identification of an appropriate 'threshold' and a site specific 'viability test' to ensure that a housing proposal provides the 'maximum reasonable' amount of affordable housing. The Council therefore considers that any overall 'target/objective', derived from either a percentage or numerical basis, is a secondary factor as this is subordinate to the fundamental site specific viability test.
- 328 The Council has been employing the London Plan affordable housing policies for the determination of planning applications since the Secretary of State's Directive of September 2007, 'not to save' the Unitary Development Plan affordable housing policies, on the grounds that their criteria had been superseded by the London Plan.
- 3.3 The London Plan considerations and operational experience, together with the imperative of ensuring general conformity with the London Plan, has resulted in the Council's decision to develop Policy CH2 of the Core Strategy as written.
- 3.4 Reference to the adopted London Plan's 50% target/objective and the maximum reasonable amount is made in Policy CH2. The adopted London Plan further advises boroughs' affordable housing policies should refer to the London Plan's 'indicative 70: 30 tenurial split of social rental and intermediate housing. This, however, is purely indicative. The Council, accordingly, has proposed a tenure split in line with its published SHMA (broadly indicating proportions of 85:15). This is in accordance

with London Plan policy and government guidance (PPS3) which allows authorities to determine their tenure split based on local evidence.

- 3.5 The SHMA has also been used as evidence supporting the drafting of policies within the Diversity of Housing Chapter, and accords with guidance set out in PPS3. It incorporates both a market assessment and a needs assessment. The SHMA examines the housing market within and around the Royal Borough, while the London-wide SHMA treats London as a whole, as a housing market. A sub-regional housing market assessment is also being prepared.
- 3.6 In the case of the Royal Borough, the SHMA identifies a need for additional housing to be provided and recommends, based on need, the target of 50%. This has underpinned the site-target of Policy CH2(i). The target is therefore needs-driven, and the viability assessment provides a ‘reality check’ – indicating that generally the target can be achieved, but it will always be driven by what is viable.
- 3.7 The Council, as advised by PPS3, commissioned an independent study of the emerging affordable housing policy. In summary the ‘Affordable Housing Viability Study’ undertaken by Fordham Research reported that:
- 40% affordable housing is generally viable, subsequently updated to 46%.
  - 50% affordable housing is deliverable in some circumstances; there is no justification for adopting a lower target.
  - Affordable housing threshold of 10 units would be financially viable in most circumstances; limited evidence for a lower threshold.
  - Within the Royal Borough, a 10 unit threshold equates, and is comparable with the 800 sq m threshold within the policy.
  - Variable area thresholds and targets are not recommended.
- 3.8 The Core Strategy’s approach to securing affordable housing provision is predicated on the employment of the relevant London Plan policies, including Policy 3A.10 which emphasises “the need to encourage rather than restrain residential development and the individual circumstances of the site. Targets should be applied flexibly, taking account of individual site costs, the availability of public subsidy and other scheme requirements”.
- 3.9 The Core Strategy emphasises that the implementation of Policy CH2 will be dependent upon a ‘viability test’ as to what would represent the ‘maximum reasonable’ affordable housing provision on a particular site in accordance with London Plan Policy 3A.10 (Core Strategy CH2 criterion p). This viability test will normally employ the Affordable Housing Toolkit (GLA) methodology or suitable alternatives.

### **PPS3 and London Plan requirements**

- 3.10 The provision of affordable housing that the planning system should deliver are set out in PPS3 and the London Plan. The Core Strategy Policy CH2, meets these

objectives in a number of ways, as explained below. However, there are also other policies in the Core Strategy which are relevant to the delivery of affordable housing and reference will be made to them where appropriate:

- 3.11 PPS 3 requires “a mix of housing, both market and affordable, particularly in terms of tenure and price, to support a wide variety of households in all areas, both urban and rural”.
- 3.12 Policy CH2 serves to promote a diversity of housing across the Borough. The policy sets out the thresholds above which the provision of affordable housing, provided in a number of ways, is required. The SHMA identifies a high need for new housing to be provided as affordable, and confirms a 50% target can be reasonably applied to qualifying sites. Criterion (i) requires this provision. The requirement is in stages: 800-1200 sq.m to be provided as a financial contribution, and, thereafter, to be provided on-site, except for in exceptional circumstances.
- 3.13 Policy CH1 is also relevant. This sets the per annum target of 200 affordable units, and the movement towards a Borough wide target of 85% social rented and 15% intermediate housing, within these to reflect the particular characteristics of the Borough as opposed to the 70:30 target split in the London Plan
- 3.14 PPS3 also requires a sufficient quantity of housing taking into account need and demand and seeking to improve choice. The Borough’s Strategic Housing Market Assessment (SHMA) demonstrates the level of need for affordable housing, and this underpins the approach in Policy CH2, criteria (i) to (r) inclusive.
- 3.15 The 50% affordable housing target is set out in criterion (i) and is justified based on the level of need that has been identified. It should be noted that this is within the context of achieving the ‘maximum reasonable amount’ as expressed in criterion (i), and that criterion (p) has been recommended for a change to make this consistent throughout.
- 3.16 Again, Policy CH1 is also relevant. The housing targets are based on the Strategic Housing Land Availability Assessment which itself is a PPS3 requirement. This was carried out with the GLA and GOL, for all London Boroughs, and is considered a robust housing capacity study to demonstrate that a sufficient quantity of housing is delivered, within the London-context.
- 3.17 Overall, Policy CH2 is considered to positively enhance the creation of mixed communities as underpinned by Strategic Objective CO6, which aims to deliver a diversity of housing at a local level. Criterion (i) specifically aims to deliver a variety of housing needs, while others ensure that housing units are built to high quality and that they are adaptable to changing requirements. For these reasons, it is considered that Policy CH2 is consistent with PPS3.
- 3.18 At a site level, PPS3 (para 24) requires that Local Planning Authorities should ensure that the proposed mix of housing on large strategic sites reflects the proportions of

households that require market or affordable housing and achieves a mix of households as well as a mix of tenure and price. For smaller sites, the mix of housing should contribute to the creation of housing diversity having regard to the proportions of households that require market or affordable housing and the existing mix of housing in the locality. In addition to the 50% target within Policy CH2(i), this advice has been included in every strategic site capable of delivering housing, either through indicative summaries, or through specific allocations.

### **London Plan requirements**

- 3.19 Policy CH2 is also considered to conform to London Plan requirements. The GLA have not raised the policy as an issue within the conformity process.
- 3.20 The adopted London Plan is supplemented by the newly published interim SPG on “Housing” (April 2010). This advises that local affordable housing targets should be based upon an assessment of need and a realistic assessment of supply. It contains additional guidance on assessing need and supply and advises that the 50% strategic target in the current London Plan is not a local target and is only one factor to take into account when setting a local target.
- 3.21 The Strategic Housing Market Assessment identifies the Royal Borough as having some of the highest value market housing, and housing land in the country. The acute need to deliver a diversity of housing types is underpinned by the evidence, and Policy CH2, in requiring the maximum reasonable amount aims to deliver housing diversity. The SHMA recommends that, locally, a 50% target for new developments is justified based on need, however, it is important to differentiate between the site presumption of 50% affordable housing provision, and the overall supply target (200 dwellings per annum, equivalent to one third).
- 3.22 The London Plan Interim Housing SPG is particularly relevant for assessing compliance of Policy CH2 with the London Plan as it gives guidance on the following factors to take into consideration when setting DPD targets. These are detailed below, with a summary of how the Core Strategy Policy CH2 gives consideration to each.

#### ***An assessment of all housing needs:***

The assessment of housing needs is contained within the Council’s Strategic Housing Market Assessment, and has been used to underpin Policy CH2. Criterion (i), in particular, is underpinned by this evidence.

#### ***A realistic assessment of supply:***

The assessment of supply is contained within the London-wide SHLAA (London Strategic Housing Land Availability Assessment 2009). This is based on a robust methodology, directed and overseen by the GLA on behalf of all the London boroughs. A GOL and GLA Joint Note (March 2008) set out how the PPS3 requirements should be applied in the very particular London context, and it is the view of the Council that the study complies with the requirements. The results of the SHLAA underpin Policies CH1 and CH2.

***The strategic target for affordable housing (50%):***

The Council sets a target of at least 50% provision of affordable housing or seeks the maximum reasonable amount in Policy CH2 (i). The overall target is 200 p.a., or one third of the overall total. The site target is based on the SHMA which justifies a 50% target based on need, and on viability analysis, while the overall target is based on a realistic assessment of supply.

***The London wide objective that there should be 70% social housing and 30% intermediate provision:***

The RBKC SHMA provides local evidence that the ratio should be 85:15 social rented: intermediate housing. The evidence relates to local circumstances, and recommends good reasons for a departure from the London Plan target, which is justifiable.

***The promotion of mixed and balanced communities:***

Policy CH2 will positively enhance the creation of mixed communities as underpinned by Strategic Objective CO6, which aims to deliver a diversity of housing at a local level.

***The most robust assessment of housing capacity and potential sources of supply:***

Again, the housing capacity and assessment of sites is provided in the London-wide SHLAA undertaken by London Boroughs and the GLA. The SHLAA, together with the SHMA and Affordable Housing Viability Study underpins the Diversity of Housing chapter of the Core Strategy.

## 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 10 – Diversity of Housing

##### Question 4

*The basis for calculating the requirement for affordable housing is focussed on floorspace rather than number of units. Is the basis for the calculation, and the consequent thresholds, justified by evidence?*

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- 4.0 *The thresholds are considered to be appropriate due to the locally distinct circumstances found within the Royal Borough, with sufficient evidence to justify them. Since 2008 the London Plan has required that a site with capacity to provide ten or more residential dwellings should provide affordable housing. As demonstrated below, a threshold of 800 square metres of residential floorspace is considered appropriate in the Royal Borough and is equivalent to the ten unit threshold set out in the adopted London Plan.*
- 4.1 The thresholds for affordable housing provision within the Royal Borough, as set out in Policy CH2 are tailored to the specific needs of the Borough. They also take full account of national and regional planning policy. Development within the Borough is typified by high density development on generally small sites. The lower threshold is set at a challenging but realistic level, appropriate to the character of the area.
- 4.2 Due to the distinct circumstances of the Royal Borough in terms of the provision of housing at the upper end of the property market, employment of a ten unit threshold has led to a significant number of cases where the applicant has sought to avoid provision of affordable housing through proposing large flats with large floorspace. Within the Royal Borough, apartments can be very large. For example, a 9 unit development may easily have an internal area in excess of 1,400 square metres. A floorspace equivalent, therefore, avoids the need for continual assessment and negotiation relating to the capacity of a site. It clearly lays out what the threshold will be, and what the Council considers, reasonably and justifiably, is equivalent to a ten unit threshold in terms of capacity.
- 4.3 Due to the special circumstances that exist with the Borough, a ten-unit threshold acts as a blunt instrument, requiring a 50% contribution of floorspace or units, after the threshold is triggered. The approach in Policy CH2 allows the first 800 square metres to be 'retained' by the developer creating a 'tapered' rise which increases, progressing towards the 50% on-site target as the amount of floorspace increases.

- 4.4 At the 800 sq metre threshold, the operation of the policy ensures that small schemes provide affordable housing in areas which are characterised by small sites or schemes where larger flats are proposed. The provision of affordable housing is always subject to the scheme's viability, to ensure that, overall, the maximum reasonable proportion of affordable housing is secured.
- 4.5 The justification for Policy CH2 can be found in a number of sources. The Council, as advised by PPS3, commissioned an independent study of the Core Strategy's emerging affordable housing policy, particularly in respect of threshold size and indicative targets. This 'Affordable Housing Viability Study', undertaken by Fordham Research, found the following:
- An affordable housing threshold of 10 units would be financially viable in most circumstances;
  - There is limited evidence for a lower threshold;
  - Within the Royal Borough, a 10 unit threshold equates, and is comparable with the 800 square metre threshold within the policy;
  - Variable area thresholds and targets are not recommended.

#### **800 – 1,200 Square Metre Threshold**

- 4.6 The basis for the 800 square metre threshold is provided in Chapter 40 (para 40.2.5 onwards) of the Core Strategy. This demonstrates that the floorspace equivalent is in fact a generous interpretation of a ten unit threshold.
- 4.7 This fact is further borne out by analysis of completed developments. Data from the Council's residential monitoring shows that the typical residential unit completed between 2006-2009 occupied close to 150 square metres of residential floorspace, as opposed to the minimum standard for a four habitable room flat, which has a requirement for a minimum of 57 square metres. Using the 800 square metres of floorspace threshold, these 'typical' developments could provide an extra 5 or 6 (or the case of super-prime residential market, less) residential units. They would, therefore, not make provision for affordable housing.
- 4.8 The 800 square metre threshold ensures that developments in excess of this area have capacity to accommodate ten units – which is the London Plan threshold. The minimum floorspace requirements of the draft London Housing Design guide, or the Council's own SPG guidance on Housing Standards, and the desired overall mix set out in the Strategic Housing Market Assessment, can also be used to illustrate capacity.
- 4.9 A straightforward translation of minima floorspace standards into a development that would meet with Strategic Housing Market Assessment (SHMA) delivery of a mix of housing types demonstrates that 800 square metres can comfortably accommodate ten units.

#### **1,200 Square Metre Threshold**

- 4.10 Given the above, it can be seen that 1,200 square metres of residential floorspace also has capacity to accommodate in excess of ten residential units. The operation of the policy allows affordable housing above this threshold to be sought on a site, using the presumption that the requirement will be 50% provision, or the maximum reasonable amount. This allows the Council to secure appropriately sized affordable housing to meet the needs, rather than purely seeking an equivalent number of units which may be of the wrong mix.
- 4.11 Only above the 1,200 sq m threshold are on-site affordable provision requirements sought, and at this level, the target is tapered, due to the effect of the initial 800 square metre 'credit' to the applicant.

### **Viability**

- 4.12 The Council's Affordable Housing Viability Study concludes that in the Royal Borough, an 800 square metre threshold is broadly equivalent to a ten unit threshold. The study assessed viability at this level, and found that, in general, sites at this level remained viable. At the 800 to 1,200 square metre range, this would be provided by a financial contribution, which would be equivalent to the cost of provision of affordable housing.
- 4.13 Both the 800 square metre and 1,200 square metre thresholds are considered reasonable. At the 800 to 1,200 square metre range, the approach allows for schemes to remain viable, while still providing much needed affordable housing which could not be sought if the threshold was unit-based, for example a ten unit threshold. This range also allows the types of development to take place which meet the need of the super-prime residential demand, which plays an important role within the Borough and more generally within London.
- 4.14 The lower threshold can, therefore, be justified on the basis that it is the Council's view that this floorspace threshold can accommodate 10 units. This is clearly and demonstrably the case, and failure to adopt the approach would mean many schemes which should reasonably provide affordable housing, would slip through the net.

## 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 10 – Diversity of Housing

##### Question 5

*Policy CH3 provides protection for market residential use, except in certain locations and circumstances, including higher order town centres, employment zones and predominantly commercial mews. Is the Policy unduly restrictive - rather, should there be a more general presumption in favour of residential development?*

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- 5.0 *No, Policy CH3 is not considered to be unduly restrictive. In the Proposed Submission Core Strategy the policy was worded to identify both where housing would be protected and where it would be permitted. These were, in fact, a mirror of each other, and repeated other policies in the Strategy. Together they gave the impression that the policy was largely restrictive. It is therefore proposed to delete criterion (c) as this is covered by other policies elsewhere in the Core Strategy. There is good evidence to underpin the direction of Policy CH3, and this indicates that we should not return to a presumption of residential development on all sites. This is explicitly recognised in the overall vision, and in strategic objectives CO1 and CO2.*
- 5.1 The Core Strategy Vision (CV1) seeks to facilitate local living through strengthening neighbourhood centres. An important part of this is resisting the loss, amongst other things, of the facilities which contribute to, or enhance local living which strategic policies CO1 (Strategic Objective One: Keeping Life Local) and CO2 (Strategic Objective Two Fostering Vitality) build upon. In particular they ensure that social and community facilities are widely available, and that neighbourhood functions including shopping facilities and employment opportunities are accessible. These necessitate a change in policy direction, based on evidence which points to the cumulative and incremental loss of these types of uses and functions. A presumption in favour of residential development on all sites would undermine this vision.

#### **The Restrictive Nature of Policy CH3**

- 5.2 Policy CH3 is not considered unduly restrictive. It plays a central role in achieving the vision for the Borough and makes it clear where there can be justified exceptions to the loss of residential accommodation. It offers guidance to applicants on the exceptions, and each exception is justified through the evidence for the Core Strategy policy direction.
- 5.3 Criterion (a) lists the exceptions to the protection of market residential use. Each is justifiable, and the approach taken is explained in response to various other matters

that have been raised. In summary, the justification for each component of the criteria is outlined below. None of the criteria are considered unduly restrictive.

5.4 Policy CH3 protects residential uses with the five listed exceptions (i to v) as follows. The reason for each exception is as set out below:

i) **Higher order town centres, where loss is to town centre use:** to comply with national guidance as set out in PPS4, where town centre uses are appropriate to the functioning of a town centre. 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.

ii) **In employment zones, where the loss is to a business use, or other use which supports character and function of the zone:** The London Plan and the Borough's Employment Land Study identify the need to provide additional employment floorspace, which is wholly appropriate to these designations.

iii) **In predominantly commercial mews, where the loss is to a business use:** The Employment Land and Premises Study (2007) confirms that "the bulk of take-up for employment premises in the Borough, whether light industrial, storage or offices, is for relatively small units". Commercial mews are characterised by small business units so it would be appropriate to allow for the loss of residential floorspace in these circumstances.

iv) **Where the proposal is for a very small office (100 sq m or less):** Again, the Council's Employment Land and Premises Study confirms the value of these premises. Para 3.44 of the study confirms that "the smaller business units, with fewer than 10 workers, employ a far higher proportion of local residents than do larger units." The protection of all units, but in particular smaller units, is therefore imperative if the Council is to achieve its vision of "fostering the Borough's vitality."

v) **Where the proposal is for a new social and community use which predominantly serves, or provides significant benefits, to Borough residents; or an arts and cultural use:** Policy CK1, whilst being restrictive in that it prevents the loss of social and community uses still provides a degree of flexibility to ensure that a redundant property or facilities can be replaced or relocated. The overall aim to keep life local emanates from the overall Borough Vision and the fact that social and community facilities provide a valuable supporting role to residential accommodation.

5.5 Criterion (b) is necessary to ensure that there is no net loss of affordable housing. The response to Matter 10, Question 6 details the justification for this, and explains that it is sufficient for achieving its aim.

- 5.6 Criterion (c) reflected other policies in the Core Strategy, namely: CF3, CK2, CF5, CF8 and CK1. It had duplicated other policies, and has been recommended for deletion.

### **General Presumption in Favour of Residential Development**

- 5.7 There is an overwhelming need to protect land uses from being purely residential. Because of Borough land values, residential uses will out-bid other uses in almost all cases, and the Borough could become purely residential. This is contrary to the Core Strategy Vision which makes reference to avoiding the scenario where the Borough becomes little more than a residential suburb, and is underpinned by the Core Objectives of ‘keeping Life Local’ and ‘Fostering Vitality’. Whilst the Council acknowledges the demand for housing in the Borough is high, this must be balanced against the need to sustain local life and community cohesion. Additional housing development needs to be accompanied by a sufficient supply of social and community uses, and the importance of employment land and small offices needs to be recognised so that sustainable communities can be created where people can live close to where they work, and there is good access to services.
- 5.8 These scenarios and the Strategic Housing Land Availability Assessment (SHLAA) process have built-in risk assessments to the level of expected development, and policy assumptions, including the evidence-based policy direction which the Royal Borough has been developing Core Strategy. The policy direction relates to enhanced protection of:
- employment land, including small offices;
  - hotels; and
  - social and community uses.
- 5.9 The approach is explained further in response to answers to questions raised under Matter 4. These are summarised below, and it is emphasised that, even with a restrictive approach, housing targets will continue to be met.

### **Employment Land**

- 5.10 Policy CF5 seeks to protect small offices. The 2007 Employment Land Premises Study estimates that only 11 % of units across the Borough have a floor area greater than 300 sq m. This illustrates the importance of protecting both large and small B1 premises across the Borough.
- 5.11 Para 5.5 of the Employment Land and Premises Study confirms that the bulk of take-up for employment premises in the Borough, whether light industrial, storage or offices, is for relatively small units. The protection of all units, but in particular smaller units, is therefore imperative if the Council is to achieve its vision of “fostering the Borough’s vitality.”
- 5.12 It has been calculated that a more restrictive approach to retaining B1 floorspace, could reduce the supply of housing by around 35 residential units per year, based on past trends. However, these assumptions have already been built into the housing supply analysis in the SHLAA and Housing trajectory. As a result, the Council does

not anticipate a shortfall in the amount of residential accommodation coming forward. This is explained in greater detail under Matter 2, Question 3.

### **Hotels**

- 5.13 Policy CF8 resists the loss of hotels in the Borough except for Earl's Court Ward. Monitoring of permissions via the London Development Database (and implementation of these permissions) indicates that despite no policy protection of hotels in Earl's Court Ward, there have been just seven applications since 2006 for the loss of just 238 rooms. Three of these applications (the loss of 136 rooms) have been implemented to date.
- 5.14 In terms of residential supply from hotels, analysis shows a loss of hotel space to supply 70 additional residential units across the borough, over a 5 year period which is an average of 14 per year and as with the office assumptions, these are already accounted for within housing supply analysis, due to the already-decreased assumed supply of housing from windfall sites.

### **Social and Community Uses**

- 5.15 Policy CK1, whilst being restrictive in that it prevents the loss of social and community uses, still provides a degree of flexibility to ensure that a redundant property or facility can be relocated as part of enabling development. This enabling development is likely to be for residential purposes as it carries the highest land value.
- 5.16 The Borough's increasing population, who are in part responsible for the additional housing growth, will also require the retention of Social and Community uses and therefore their provision and retention is essential for a residential community to function.
- 5.17 It is therefore considered that the right balance has been struck between the protection of residential uses and the need to provide the supporting infrastructure for a residential community to be sustainable and to flourish.
- 5.18 Furthermore, the answers provided to Matter 2, and previously in the paper referenced RBKC/1 demonstrate how the Borough will deliver its London Plan housing target, based largely on the known sites, and taking into account of a small allowance for unidentified sites ('windfall' sites). A range of housing delivery scenarios have been tested and these demonstrate that the housing targets can be met in normal circumstances. Therefore, we do not need a presumption in favour of residential development. For unexpected circumstances, contingency plans have been developed to ensure that housing delivery will be a principal objective of the Core Strategy and on this basis a suitable balance has been struck.

## 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 10 – Diversity of Housing

##### Question 6

*Policy CH3 has been amended by deleting criterion (c) but retains criterion (b), resisting the net loss of affordable housing floorspace and units throughout the Borough. Does CH3(b) give sufficient protection to social rented housing?*

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- 6.0 *The Council considers that Policy CH3 affords significant protection to social rented housing.*
- 6.1 Criterion (b) resists the net loss of affordable housing floorspace and units throughout the Borough. This protects all affordable housing floorspace, whilst allowing flexibility for redevelopment, provided always that there is no net loss. It is the Council's view that this affords social rented housing, among other affordable housing types, significant protection.

## 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 10 – Diversity of Housing

##### Question 7

*Policy CH4 seeks to ensure that the long term benefits of estate renewal outweigh the consequences for residents. Does implementation of the Policy carry with it the potential disintegration of existing communities?*

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- 7.0 *Housing renewal is very difficult to achieve without some negative impact on existing communities. However, Policy CH4 acts as a safeguard for reducing the impact. It requires no net loss of affordable housing, and provides a guarantee to tenants for the right to remain in the area, as its main safeguarding criteria. Moreover, it requires a compelling case for renewal to be put forward.*
- 7.1 The policy is realistic. It acknowledges that estate renewal can lead to disruption and it introduces a series of requirements that are expected in cases of Estate Renewal. The wording of Policy CH4 is designed precisely to reduce the disintegration of existing communities, by specifying that the existing tenants are guaranteed an opportunity of a home within the area, and that their needs will be addressed in the mix of house sizes for the new build in any renewal project.
- 7.3 Additionally, the policy sets a requirement that the long term benefits of renewal have to outweigh the disruption of the process, so that a compelling case for long-term benefits has to be made. This sets a strong test for developers to reach and comply with before a project is considered.
- 7.4 In addition to the Planning Policy requirements, the Council's Housing Department is developing a decant strategy for the overall management of estate renewal programme beyond the pure planning requirements. This will draw from the Borough's recent experience of estate renewal at Wornington Green.
- 7.5 Furthermore, the Council's own Housing Allocations policy as administered by the Housing Department, plays a significant role in ensuring a fair allocation of additional or renewed affordable units. This is periodically reviewed. The current review will address the occasional need for a local lettings policy, to allow residential units on regenerated estates to be ring-fenced for the re-housing of the original occupants first, in order to ensure that their right to remain there is secured. These policies work alongside the planning requirements set out in Policy CH4.
- 7.6 Policy CH4 requires that a compelling case is demonstrated that the long term benefits outweigh the recognised considerable uncertainty and disruption that

renewal projects will cause. It builds in a number of safeguarding processes which will ensure that existing communities are protected, so far as is possible through the planning process. These are assisted through further safeguarding mechanisms and policies to ensure, as far as possible, the continued existence of established communities. On this basis there is a robust approach to prevent the disintegration of existing communities.