



# Responses to the Inspector

## Matter 2: Quanta of Development and Housing Trajectory

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 2 – Quanta of Development; policies C1, CP1 & CH1; Housing Trajectory

#### Question 1

*Para 4.3.2 indicates that housing target in the London Plan requires provision of a minimum of 350 units per annum and that the revised London Plan, issued for consultation, raises this figure to 585. This is not yet an agreed target but the Borough is planning for 600 units per year from 2011/12. Does this strike an appropriate balance between meeting the present and future London Plan targets for housing?*

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1.0 *Yes, the Core Strategy strikes an appropriate the balance between current and future London Plan housing targets. It is not considered necessary to introduce the new target in advance of London plan adoption, but it is considered a sensible approach to give acknowledgement to the forthcoming higher targets, on which there is agreement between the Borough and GLA.*

#### Overall Housing Targets

- 1.1 The overall housing target is set out in Policy CH1. The Council set out in RBKC/1 the approach to overall deliverability of housing targets provided in response to the Inspector's questions from May 25<sup>th</sup>. In particular, attention is drawn to the various contingency plans ('Plan Bs'), and the effect on the trajectory of the varying scenarios at Kensal.
- 1.2 The GLA raised, in their representations, the issue of introducing the new London Plan targets *in advance* of London Plan adoption. It is worth noting that the GLA consider the approach in the Core Strategy for housing delivery as being in general conformity with the London Plan. This includes the relative timing of the housing targets – to be introduced on adoption of the emerging London Plan. Although the Royal Borough does not expect the figures to change, having worked closely with the GLA on the Strategic Housing Land Availability Assessment (SHLAA) process, it would not be appropriate to introduce the housing targets in advance of London Plan adoption.
- 1.3 The targets used are, therefore, 350 p.a. followed by 600 p.a. on adoption of the London Plan – expected in 2011. To cover the entire plan period, these are 'rolled forward' on the advice of GOL/GLA, and as required in the London Plan. The 600 p.a. target should not be introduced ahead of London Plan adoption, until such time as the London-wide targets are fully known. Various other boroughs have made representations to this part of the London Plan. Consequently, there may be a requirement for adjustments before the draft Plan is adopted.

- 1.4 Data from the Strategic Housing Land Availability Assessment has been used to inform housing capacity, and known strategic sites have been incorporated. Should housing targets fail to be met, contingency plans are in place, as explained in RBKC/1.
- 1.5 Future London Plan targets are to be tested at the London Plan Examination in Public. There is agreement between GLA and RBKC on targets, as achieved through the SHLAA process. As explained in RBKC/1 the SHLAA is a 'conservative' assessment of sites, to be 'exceeded'. This is the case for RBKC sites, where, for example, at Kensal a 'low' case scenario has been used for the site capacity in the Housing Trajectory (880 units), whereas the site is allocated for 2,500 dwellings across all four of the sites.
- 1.6 The Council are confident, however, that an estimate of 2,500 could be achieved, subject to detailed assessments. Various scenarios with differing outcomes based on area and density assumptions about public transport accessibility have been run through the housing trajectory for the Royal Borough to assess the impact on overall housing delivery. Each shows that the overall provision will continue to be met (see response to questions in Matter 5).
- 1.7 The Royal Borough has not made representations to the London Plan targets, and is satisfied that the per annum targets are deliverable.
- 1.8 The affordable housing targets, discussed below, are based on the overall supply of housing as identified. They are, however, more closely aligned with the supply of housing expected from the Borough's strategic sites, rather than the SHLAA sites. The development of the strategic sites will deliver the Council's overall vision for the Borough, and the Planning Department has a dedicated team to ensure that this will happen. Both the GLA and Royal Borough consider that the targets are deliverable.
- 1.9 The Royal Borough has a track record of relatively low affordable housing delivery. This is because, in the past, many developments did not trigger affordable housing under a 15, or more recently, 10 unit threshold. In part, this is to be addressed through the floorspace approach to affordable housing thresholds in the Submission Core Strategy. The SHMA identifies that the overall demand for affordable housing will not reasonably be met through the level of development that can be reasonably expected, or that there is the capacity to reasonably provide.
- 1.10 Therefore, through the development Policies CH1 and CH2, the Royal Borough has had on-going discussions with the GLA on ways to improve the supply of affordable housing. The per-annum target of 200 affordable units is based on the Core Strategy allocations from the strategic sites because this is the Borough's vision of where future development will occur. Basing the affordable housing target solely on the Strategic Housing Land Availability Assessment sites would set a safe, but conservative target, whereas the Borough recognises the demand in the Borough with the highest market prices in the country. On this basis a challenging, yet realistic target has therefore been set at the 33% target (200 p.a.). It is considered

that to go above this level would not be credible due to past delivery rates and a sensible balance has therefore been struck.

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

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#### Question 2

*Evidence to show how the housing target will be met is provided through the housing trajectory included at Appendix 1. It is suggested that the figures allow for the anticipated fallout when planning permissions lapse or are superseded. **Is this evidence sufficiently robust to demonstrate that the housing target can be met?***

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2.0 *The Council is confident of meeting the housing targets as set out in Policy CH1. The targets have been arrived at through thorough analysis of the Strategic Housing Land Availability Assessment (SHLAA), and through joint working with the GLA. A full explanation for achieving the housing target, and contingency arrangements for any under-supply against target is set out in response RBKC/1.*

2.1 The principal reasons explaining how the housing target will be met have previously been set out in document RBKC/1. The housing trajectory demonstrates how the target will be met. Built in to the trajectory are justified assumptions concerning lapse rates or superseded planning applications.

2.2 PPS3 (para. 53) requires that the Core Strategy should identify sufficient housing capacity to achieve its housing objectives, in accordance with the London Plan housing targets, for a 15 year period. PPS 3 subdivides this 15 year period into rolling 5 years site identification and delivery programmes. Housing delivery for the first 5 years should be based on sites which are 'available', 'suitable' and 'achievable' within this time frame (para. 54). Delivery programming for years 6-10, and, where possible for years 11-15, should be based on the identification of 'developable' sites, or at least the identification of 'broad locations' for years 11-15 (para. 55).

2.3 The Council has demonstrated the deliverability of the housing capacity, incorporating the SHLAA findings and using local evidence and can be detailed as follows:

**Housing Consents;** Housing monitoring details the available implementation information for all sites with consent for 10 or more self contained homes. A schedule listing the consents providing 10 or more non self contained homes is kept, and demonstrates the housing land supply.

**Site Specific Allocations;** the estimated implementation of the strategic sites is detailed in the Core Strategy. The identification of these sites has involved extensive discussions with landowners, none of whom have objected to the proposed

residential allocations, although some have argued for increased housing capacities on their sites.

- 2.4 The target is considered to be realistic and achievable. In the event of an undersupply, the Council has identified, and made arrangements, to introduce a choice from a suite of possible contingency plans. Chapter 39 of the Core Strategy sets out 3 contingency plans for alternative scenarios of housing delivery in the event of any unusual circumstances. These were previously outlined in RBKC/1:
- Scenario 1 – **There is a significant (more than 20%) shortfall in the actual delivery against the cumulative total.**
  - Scenario 2 – **There is a shortfall against the expected provision in a site or allocation.**
  - Scenario 3 – **Failure to deliver the level of anticipated development.**
- 2.5 PPS3 specifically advises that policies and proposed management actions should reflect the degree to which actual performance varies from expected performance, as indicated in the housing trajectory. The above, taken from chapter 39 of the Core Strategy explains this in the context of the Royal Borough. However, it is accepted that the success of delivering the required level of development is also heavily reliant on on-going monitoring. Chapter 38 of the Core Strategy sets out the Council's commitment to monitor, review and amend policies where needed to secure delivery of the spatial vision. This will be identified through the AMR housing policy performance analysis annually. Indicator CP1(1) (net additional dwellings) and CH1(a) contains specific, measurable targets. Management actions would be introduced if analysis showed that the ten and fifteen year targets were not on track to be achieved and fell outside the acceptable range, or should the Council not be able to demonstrate a deliverable five year supply of housing.
- 2.6 Such a range of measures that may be called upon include:
- Revisiting SHLAA sites that have not been included in the capacity figures. This would require a further assessment of their probability for coming forward and would also include revisiting all assumptions. Such an exercise will be required periodically in any event, to ensure that the Borough housing supply was maintained. If monitoring indicated a reduction in housing completions against target, this would become necessary.
  - Additionally, bringing forward a separate Site Allocations DPD where sites from the SHLAA are reviewed and identify those that otherwise would be protected from changes of use, but which we assess to be beneficial to change to deliver the requirements of the Core Strategy. The preparation of further Site Specific DPD / SPDs, either for site allocation purposes, or for development of specific sites which flow naturally from the above exercise. These would be included within Local Development Scheme updates and reported through annual monitoring.

- Assembly of further sites, by working corporately with RBKC's own Property Department, and with partners for existing known sites or those involved in infrastructure delivery. The Kensington & Chelsea Partnership (the Local Strategic Partnership), for example, are involved in identifying site infrastructure requirements and could assist with the identification of site owners as part of a Site Allocations DPD to further add to the overall process.
- In addition to Plan Bs or individual contingency arrangements for specific sites, the of measures which would ensure delivery of housing against the target is achieved as explained above. The key is to select the appropriate contingency for the situation which presents itself, and to have a package of measures available. Clearly, it cannot be possible to identify every scenario, but by careful monitoring, and identification of the risks, housing delivery risk is minimised to an acceptable degree.

- 2.7 Further to these contingencies, the Council's Directorate of Planning & Borough Development has recently established a new Strategic Development team. This is a multi-disciplinary team bringing Development Management, design and policy expertise together and demonstrating the Council's commitment to delivering development on major sites. This team is well placed to pro-actively initiate any contingency measures, such as these, and those that have been outlined in RBKC/1.
- 2.8 The housing trajectory is informed by the RBKC part of the London Strategic Housing Land Availability Assessment 2009 (SHLAA). This has been directed and overseen by the GLA on behalf of all the London boroughs, in accordance with the GOL and GLA Joint Note (March 2008) as to how the PPS3 requirements should be applied in the unique London context. It is supplemented with local monitoring data from various sources.
- 2.9 It is important to emphasise here that the figures in the SHLAA are not necessarily the same as those within the Site Allocations. The SHLAA adopts a standards methodology, applicable to all London Boroughs. It identifies sites, constraints, risk and probability of development, and derives a capacity based on these factors, and others such as PTAL rating. Through this process, the SHLAA can be considered a 'conservative' estimate of likely capacity. The strategic site allocations, in many cases, exceed those capacity estimates in the SHLAA, in order to aim for higher rate of delivery, on sites which the Royal Borough expects to be key to delivering the vision for the 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

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##### Question 3

*PPS3 indicates (para 59) that allowances for windfalls should not be included in the first 10 years of land supply unless there is robust evidence of genuine local circumstances that prevent specific sites being identified. Does the Strategy place too much reliance on windfalls?*

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- 3.0 *No, the Core Strategy recognises windfall sites as an important source of housing supply, which, due to the special circumstances within London should be included within overall housing supply. However, it does not place too much reliance on windfalls. The reliance on windfall supply was previously addressed in response to GOL in a paper dated 18<sup>th</sup> March 2010.*
- 3.1 The Strategic Housing Land Availability Assessment underpins the Core Strategy's assessment of housing provision. In addition to the large sites identified in the SHLAA, there are other sources of capacity that are calculated by an allowance based on past trends. These additional sources of supply include small sites (<0.25ha), non-self contained units and supply from bringing vacant stock back into use. In the unique circumstances of London, the SHLAA states that "*these sources of housing supply have historically been important in addressing housing need*". This source of supply is particularly important in the case of the Royal Borough.
- 3.2 In keeping with a key principle of government guidance on SHLAA preparation, boroughs are strongly advised, in presenting their evidence, to minimise dependence on 'windfall' capacity (in the SHLAA these are the small sites) in order to meet their targets, and maximise use of evidence of capacity coming forward from identified sites – i.e. those in excess of 0.25ha.
- 3.3 The Londonwide SHLAA recognises, explicitly, that in the unique circumstances of London many boroughs are nevertheless likely, in varying degrees, also to have to draw on evidence of the contribution of windfalls. Government policy in PPS3 provides flexibility to include windfall contributions, where justified, providing authorities have maximised the likely contribution of identified sites.
- 3.4 It is considered that an allowance for windfall sites is justified in the case of the Royal Borough. The allowance made for windfall provision in the housing supply trajectory has been minimised, while recognising the importance to the Borough. This evidence and justification was explained further in a paper to the Government Office for London (GOL) dated 18<sup>th</sup> March 2010 ("*Further Supporting Information on*

Windfall Sites submitted to GOL 18.3.10”), and forms part of the evidence library prepared for the Core Strategy Examination in Public. It explains that the Borough is characterised by high density developments and small sites which make windfall delivery more likely.

- 3.5 Therefore, the assumed ‘windfall’ allowance contained within the housing trajectory is set at 130 units p.a. In arriving at this assumption, past trends have been analysed, in addition to assumptions regarding policy changes. The figure is a conservative estimate of the ‘windfall’ supply. The supply from windfalls as a proportion of the Borough’s overall target is therefore around 21%. Past development trends in the Borough indicate that between one third and 35% of the Borough’s housing supply have been delivered from these sources. Further detail is provided in RBKC/1.
- 3.6 The reliance on ‘windfall’ sites is not dissimilar to other London Boroughs such as LB Camden due to the densely built-up characteristics of inner London boroughs where there is a shortage of larger sites for development. RBKC recognise that a more restrictive approach to the supply of housing from offices and hotels is likely to reduce the supply of ‘windfall’ sites. However, it is stressed that this has been factored into the assumed ‘windfall’ supply and should not harm the overall supply of housing units coming forward, as relatively low numbers of units from these sources are involved based on past trends.
- 3.7 The housing trajectory, and the assumptions contained within the SHLAA are based on a sound and robust methodology, in accordance with PPS3. This contains evidence to support the expected delivery rates shown in Borough Housing Trajectory Data, which is reported annually in the Annual Monitoring report (AMR). Overall, a reduced reliance has been placed on ‘windfall’ supply relative to past trends, while recognising that in the London-context, they have, and are likely to continue to contribute towards housing supply.

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#### Matter 2 – Quanta of Development; policies C1, CP1 & CH1; Housing Trajectory

##### Question 4

*The Government's objective, in PPS3 (para 52), is to deliver a flexible responsive supply of land. Is there sufficient flexibility in the application of CH1?*

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- 4.0 Yes. RBKC/1 sets out the approach to flexibility in the application of the housing targets referred to in Policy CH1. It covers Plan Bs, and identified common ground with key delivery partners. In summary RBKC/1 concludes that even with a lower delivery rate for certain of the key sites, the overall housing delivery is not affected. If and where undersupply occurs, action will be taken – including identified contingency arrangements as set out in RBKC/1.
- 4.1 London Plan policy 3A.2 states that “DPD policies should (amongst other matters) seek to exceed the figures in Table 3A.1”. Policy 3.3C of the draft consultation replacement plan seeks the same. This aspect of the policy is therefore in general conformity with the London Plan and draft replacement plan on the overall provision of new homes.
- 4.2 The GLA consider Policy CH1 as being in general conformity with the London Plan. This conformity agreement indicates acceptance that the policy will meet with the London Plan requirements, and that the methodology and assumptions underpinning these are sound.
- 4.3 The responses to other questions under Matter 2 explain the derivation of housing targets, and the various contingency arrangements in place (see also RBKC/1) in order to achieve delivery. This includes assessing the various levels of risk, and a demonstration that risk has been taken into account throughout the process. It results in targets which are, overall, considered to be ‘conservative’.
- 4.4 The responses to other questions also explain that the SHLAA figures and the site allocations are not always the same. The SHLAA, due to its London-wide methodology is more conservative, while the site allocations reflect more ambitious, yet realistic targets. The strategic sites’ allocations express how the Council sees the sites developing in the Borough, and express the full potential for development. They are ambitious, but realistic targets and generally exceed the overall Borough housing targets.
- 4.5 The Strategic Housing Land Availability Assessment, therefore, inherently builds in flexibility in delivering the development to meet targets through the application of

Policy CH1. There are a number of ways of achieving the overall targets, assuming that certain minimum delivery occurs on the known sites. If there is an identified under-supply, then the various 'Plan B' scenarios will be enacted.

- 4.6 Chapter 39 of the Core Strategy sets out 3 contingency plans for alternative scenarios of housing delivery in the event of any unusual circumstances. This emphasises the role of monitoring to provide the basis on which the contingency plans within the Core Strategy would be triggered, and where necessary an early review of the relevant part of the Core Strategy needs to be undertaken. These were previously outlined in RBKC/1, and respond to various scenarios:
- Scenario 1 – **There is a significant (more than 20%) shortfall in the actual delivery against the cumulative total.**
  - Scenario 2 – **There is a shortfall against the expected provision in a site or allocation.**
  - Scenario 3 – **Failure to deliver the level of anticipated development.**
- 4.7 Chapter 38 of the Core Strategy sets out the Council's commitment to monitor, review and amend policies where needed to secure delivery of the spatial vision. This will be identified through the AMR housing policy performance analysis. Indicator CP1(1) (net additional dwellings) and CH1(a) contain specific, measurable targets. Management actions would be introduced if analysis showed that the ten and fifteen year targets were not on track to be achieved and fell outside the acceptable range, or in the unlikely event that the Council is not able to demonstrate a deliverable five year supply of housing.
- 4.8 There is sufficient flexibility within Policy CH1 to cater for a range of likely scenarios, and to achieve the targets in a range of ways. Flexibility has been 'built-in' to the policy through its development: the SHLAA process in particular, which adopts a conservative approach, with sites estimates expected to be exceeded. The policy also allows for flexibility. This is explained in response to questions 6 and 7, through the contingency measures – the 'Plan Bs' - which allow targets to be met. Finally, the application of policy allows flexibility where further measures may be required. These are identified through the monitoring processes contained in the plan, and, in the event that an identified under-supply of housing occurs, steps will be taken to combat and correct the deficiency.

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### Royal Borough of Kensington and Chelsea's Statement

#### Matter 2 – Quanta of Development; policies C1, CP1 & CH1; Housing Trajectory

##### Question 5

*The evidence base, through the Employment Land and Premises Study, and the Retail Needs Assessment, suggests forecasts of floorspace demands to support the quanta of development. Is the evidence sufficiently robust to justify the quantities of office and comparison retail floorspace?*

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5.0 *Yes: the Council considers that the quanta of office and comparison retail floorspace sought by the Council, as articulated by Policy CP1: Quanta of Development, have been fully justified by the Core Strategy and by the associated evidence base.*

##### ***Quanta of comparison retail floorspace***

5.1 Policy CP1 states that the Council will 'provide' 26,150 sq m of comparison retail floorspace in the south of the Borough by 2015. This figure is based upon the results of a Retail and Leisure Needs Assessment commissioned by this Council, and published in July 2008. This study was carried out by Nathaniel Litchfield and Partners, a consultancy that has the specialist knowledge to prepare of Retail Needs Assessments.

5.2 One of the principal purposes of the Retail Study was to determine the need for comparison retail floorspace within the Borough over the plan period. 'Need' (or the floorspace to be provided if the Borough is to take advantage of the expected increase in retail expenditure in the study area) has been assessed for four time periods, 2008 to 2012, 2008 to 2015, 2008 to 20 and 2008 to 2028. The Retail Needs Assessment is available on the Council's website.

##### *Timescale*

5.3 The authors of the Retail Needs Assessment themselves recognise that only 'need' until approximately 2015 can be estimated to an acceptable degree of accuracy. Longer term forecasts are more susceptible to change. The Core Strategy, therefore, seeks to plan for, and accommodate, retail need to 2015 only. This approach is consistent with PPS4 (Policy EC5.5) which states that Local Planning Authorities need only to allocate sufficient sites to meet identified need for the first five years of the plan. The Council will review retail need on a regular basis, and where necessary, amend the Core Strategy accordingly.

5.4 At the request of the Government Office, the Council has suggested changes to supporting text of the Core Strategy which explains why the 2015 figure is used.

These are the comments immediately before para 31.3.1 that have been highlighted within the Submission Core Strategy.

*Quanta of retail need*

- 5.5 Nathaniel Litchfield and Partners have used a generally accepted methodology of assessing retail need within the Borough. The detailed methodology used is set out in some detail in chapter 19 of the Retail Needs Assessment. This is considered to be robust and specifically tailored for the specific circumstances of the Royal Borough.
- 5.6 In particular, the assessment of need for comparison floorspace uses average sales densities which are considerably higher than the national average. Para 19.39 of the Retail Needs Assessment states that the levels reached are “usually only achieved by very successful shopping centres, which reflect the higher proportion of quality multiple retailers and high rental levels/property values.” Similarly, the assessment note that “it may be reasonable to expect comparison shops in Kensington and Chelsea to trade above national averages.” Both these assumptions will result in conservative estimates of the floorspace needed to provide for the comparison shopping ‘need’ – but a figure considered appropriate for this Borough.
- 5.7 Furthermore, the report has specifically considered the expected increase in sales density for comparison floorspace within the Borough in some detail. Increases in sales density is a function of spending growing at faster rates than new floorspace provision, and therefore the retailers ability to increase their turnover to floorspace ratio. The figure uses (1.5 % per annum) is lower than the 2.2 % figure used by Experion for the London Plan Retail needs Assessment, and this would result in a higher level floorspace need. Nathaniel Litchfield and Partners believe that the 1.5 % figure they use is more appropriate and consistent with the top end of the range historically adopted by retail planners. This reasoning is set out in some detail in para 19.72 of the Retail needs assessment. For the Inspector’s convenience this is repeated below:

*“ Experion’s growth rate is based on past trends during the period 1986 to 1999. During this period comparison expenditure grew rapidly (5.8% per annum). The forecast growth in comparison expenditure adopted in this study [the RBKC Retail Needs Assessment] is much lower (about 3.8 %). Growth in turnover efficiencies and expenditure growth are inextricably linked, therefore it is unlikely that the Experion recommended growth in turn over efficiencies (2.2% will be experienced in future growth in expenditure is only 3.8 % per annum.*

*An element of the past growth in turnover efficiency between 1986 and 1999 will have related to a qualitative improvement in the overall stock of retail floorspace, i.e. the development of modern shopping centres and out-of centre stores. As a result it would be wrong to assume that existing retail floorspace can increase its turnover efficiency at the same rate as suggested by national figures.*

*Experion’s growth rate is based upon gross floorspace rather than net sales. Therefore, an element of the past growth in turnover density will relate to*

*improvements in net to gross ratios e.g reductions in storage. It does not follow that improvements to net to gross ratio will continue at the same rate in the future.”*

- 5.8 The Retail Needs Assessment produces two scenarios in assessing comparison shopping development within the Borough. The low growth scenario adopts future expenditure projections based on the 2008 market share but is then adjusted to take account of retail development in neighbouring boroughs, and in particular the Westfield London shopping centre at White City (opened in the Autumn 2008). The report recognises that the potential of Westfield London to “absorb a significant amount of comparison expenditure growth in the Borough”.
- 5.9 The high growth scenario assumes that the Kensington and Chelsea can deliver major retail development that will help the Borough maintain its 2008 market share of comparison floorspace. The Nathaniel Lichfield and Partners’ Study does, however, state that, “the analysis of potential development sites in the Borough suggests that major comparison retail development is unlikely to come forward in the short to medium term of a scale to the scale of countering the impact of competing developments.” The consultants therefore consider that “it is the low growth scenario that is the most realistic for planning purposes within the Royal Borough.” (Para 22.11). The Council has therefore, taken the low growth projection figures forward and have used these as the basis for Policy CP1.
- 5.10 Table 1 (below) is reproduced from the Nathaniel Lichfield and Partners’ study. The study considers the separate ‘need’ for the three areas within the Borough: the main centres in the north and centre of the Borough (Portobello, Kensington High Street, Earl’s Court, Notting Hill Gate and Westbourne Grove); the main centres in the south (Knightsbridge, King’s Road, Fulham Road and South Kensington); and ‘other outside the main centres’.
- 5.11 The 26,150 sq m of comparison floorspace sought in the south of the Borough by 2015 includes the 25,674 sq m for the ‘main centres’ in the south and half the space needed throughout the Borough but not within the centres (or 475 sq m).

	2008 to 2012	2008 to 2015	2008 to 2020	2008 to 2028
<b>Projected gross floorspace</b>				
<b>Southern centres</b>	11,862 sq m	25,674 sq m	53,137 sq m	102,565 sq m
<b>Central and northern centres</b>	-5,644 sq m	658 sq m	13,237 sq m	35,129 sq m
<b>Other</b>	-286 sq m	945 sq m	3,338 sq m	7,186 sq m

*Table 1: Comparison floorspace projections (low growth), Retail and Leisure Need Study for RBKC, Nathaniel Lichfield and Partners, July 2008.*

- 5.12 Whilst the Council recognises that the floorspace projections provide broad guidance they are not, however, to be used rigidly. Any proposal for new retail uses must also be assessed against the policies within the *Fostering Vitality* Chapter of the Core Strategy. Policy CF1 is relevant, directing new retail development to town centres or to the edge of southern centres. Ultimately, the policy concurs with the requirements within PPS4 in that proposals for new retail development must “meet the requirements of the sequential assessment” and must “not have an unacceptable impact on existing centres.”
- 5.13 The Council is, therefore, satisfied that the estimate of retail need to 2015 is robust and justifiable. It is based on what Nathaniel Lichfield and Partners consider to be conservative, yet realistic assumptions. The predictions of need uses are also only to 2015, a date close enough in the future to remove the some of the uncertainty inherent to longer term predictions in the retail market.

### ***Quanta of office floorspace***

- 5.14 The Council commissioned Roger Tym and Partners (RTP) 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 Tym and Partners 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 any changes to national and regional planning policies. This update was published by RTP in October 2009. It is this update that has informed the quanta of office development articulated within Policy CP1.

#### *Projected office need in Roger Tym and Partners report*

- 5.15 The Employment Land Review Update forecast the future demand for employment space from 2004 to 2026, based on demand forecasts. The report then compared this requirement with the planned supply.
- 5.16 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.
- 5.17 With regard to forecasting demand, the 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 is predicted, or 4,700 jobs. They call this ‘Scenario C’.
- 5.18 In order to translate the job numbers into floorspace RTP have used 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’s 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 as intensively as other units. For offices in the Borough, the forecast is for an increase in office demand 69,200 sq m. This figure is for the

period 2004 to 2026. It is this figure which forms the basis for the desired quanta of office development set out in Policy CP1.

*GLA employment projections (2009)*

- 5.19 Both the Council and RTP recognise that the 2009 update has not been based on the GLA's latest (the 2009) employment projections as these were not available at the time. Whilst the Employment Land Review Update figures do, as set out in para 5.17 (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. This paper is attached as Appendix 1 of Matter 7.
- 5.20 This paper confirms that the 69,200 sq m figure (2004 – 2026) remains relevant.
- 5.21 The new GLA forecasts are more optimistic than Scenario C, suggesting a slightly higher office growth (2004 to 2026,) of 6,200 net jobs rather than the 4,700 predicted by the RTP Scenario C. Using an employment density of 14.7 sq m per employee (net), would indicate an the office need for the period of 91,100 sq m rather than the 69,000 sq m quoted in Policy CP1. However, in para 3.3 of the 2010 update report RTP notes that they “don't suggest that the Borough departs from the [69,000 sq m] target. The difference is quite small, fewer than 70 jobs per annum” and they do recognise a degree of inaccuracy is inherent in any longer term forecasting.
- 5.22 In their 2010 update report RTP have also considered the 2009 London Office Policy Review (LOPR), a document also based on the GLA's 2009 employment predictions. The analysis presented in the LOPR is not directly comparable with that used in the RTP 'scenario C forecast' of office demand. It covers a different time period (2007 to 2031). Furthermore, the floorspace predictions also use a lower employment density, at 12 sq m per job rather than the 14.7 sq m endorsed by RTP. Therefore, the reduction of amount of floorspace needed due to the use of lower employment densities is countered by the slightly more optimistic view on office delivery. When comparing the same time period, and taking account of the different employment densities uses, the LOPR and the RTP Scenario C are very similar. The LOPR predicts a need of a net increase of 3,900 office jobs 2007 to 2031. This would equate to 57,300 sq m assuming an employment density of 14.7 sq m. The need is actually a little greater 2007 to 2026 (at 4,400 jobs or 64,600 sq m) as the predictions indicate a slight decline in jobs needed between 2026 and 2031.
- 5.23 In conclusion Para 3.1 of the 2010 update report states that, “neither the new GLA 2009 forecasts nor the related 2009 London Office Policy Review gives us any reason to question the conclusions and policy recommendations first developed in our report for Kensington and Chelsea.” Para 3.2 states that, “Kensington and Chelsea still need to plan for a growing office sector”. The quanta of development for office development is therefore based on what the Council considers to be robust and up-to-date evidence.

*Starting Point for employment predictions*

- 5.24 As set out above the Council is satisfied that the 69,200 sq m of office space figure used in Policy CP1 is accurate. It is, however, based on a 2004 benchmark. This has been made clear throughout Employment Land Review Update. However, for clarity we suggest changing (if the Inspector is agreeable) the quanta of development figure to take account of the net gain in office floorspace that has taken place between 2004 and the latest figures we have in 2008. There has been a net gain of 9,000 sq m of office floorspace in this time. This is set out in some detail in table 4.1 of the 2009 Employment Land Review Update. The Council would therefore, suggest amending part (2) of CP1 to read, "60,000 sq m of office floorspace to 2028." This figure is calculated simply by subtracting the 9,000 sq m built out since 2004 from the 69,000 sq m needed between 2004 – 2028. The supporting text will be amended to recognise that this figure is now based from a starting point of 2008, not 2004.
- 5.25 The suitability of this approach is confirmed by the RTP 2010 update report. This change does not have any impact upon the Council's policy position to protect offices articulated elsewhere within the Core Strategy. The net increase in office space required (if need is to be met) to the end of the plan period over and above that already in the pipeline, or built out between 2004 and 2008 remains unchanged, at 23,000 sq m.
- 5.26 The suggested amendments are set out in the 'post submission changes table'.
- 5.27 Whilst the plan does require stability, and it is not appropriate to reassess targets with each and every round of forecasting, the Council does recognise that all long term predictions have inherent inaccuracies. The Council will, therefore, be carrying out further regular updates on need for office floorspace as and when necessary. Updates will take account of changing projections of need for office employment, using the predicted employment densities considered appropriate at that time.

## 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 2 – Quanta of Development; policies C1, CP1 & CH1; Housing Trajectory

##### Question 6

*Circular 05/2005 (paras B25 & B26) and Planning Obligations: Practice Guidance (paras 3.9 & 3.10) provide advice on the role of core strategies. Production of the Council's SPD on S106 appears to have been delayed. Does section 29.2 and Policy C1 (together with reference to topic-based policies) provide sufficient information to “..allow developers to predict as accurately as possible the likely contributions they will be asked to make..” (B25)?*

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- 6.0 *Yes, in the context of the forthcoming SPD, Policy C1 provides sufficient information. Requirements are set out in the Infrastructure Delivery Plan (IDP) and the schedule in chapter 39 of the Core Strategy which includes the specific items identified in the individual strategic site allocation policies, and also in detailing possible planning obligations. The draft Planning Obligations SPD elaborates further, and advises on possible contributions in kind or as a financial contribution. The Planning Obligations SPD is intended to be adopted well in advance of Core Strategy adoption.*
- 6.1 Policy C1 is designed to provide a framework for the securing planning obligations, with the detail being set out within the SPD. It is necessary to clarify potential S106 measures in the Core Strategy, as set out in Policy C1, to offer guidance to developers on the likely planning obligations from proposals. This policy provides the Core Strategy policy on planning obligations and infrastructure delivery. No further changes are recommended, as the detail is to be provided within the SPD.
- 6.2 A Planning Obligations SPD has been consulted on (January-March 2010) and is close to adoption. The key decision for its adoption will have been made prior to the Examination hearings beginning. The SPD supplements the existing UDP policy, and, importantly is fully in line with Policy C1 of the Core Strategy. It supplements and explains how planning obligations will be sought in the Royal Borough. It also takes into account the 2010 CIL regulations, and the changes to Circular 05/2005.
- 6.3 Circular 05/2005 states that a DPD should include “general policies about the principles and use of planning obligations and factors to be taken into account when considering the scale and form of contributions or level of affordable housing provision...”. It advises that these more detailed policies and principles should be set out in an SPD, which the Royal Borough has sought to do through the publication of the SPD in draft form.

- 6.4 The Planning Obligations Supplementary Planning Document will help to secure additional facilities and contributions for a range of purposes such as improvements to transport facilities and the improved open space and play space, employment and training opportunities for residents, and improved sports and community facilities. The full scope is set out in the draft SPD, together with a set of standard charges which provide an indication of the level of contributions that will be required from new development. The charges will be monitored and reviewed annually based on up-to-date information.
- 6.5 An appropriate balance has been struck between the level of detail required in the Core Strategy, and the use of an SPD to provide greater detail and clarification. The examples within the Core Strategy are offered to provide guidance, but are not exhaustive. Indeed, any planning obligation which meets the statutory tests could be sought.
- 6.6 In conclusion, Policy C1 provides sufficiently detailed guidance on S106 measures appropriate to a high level strategic document. The publication of an SPD with further detail meets with the requirements set out in Circular 05/2005 and other Good Practice guidance by clarifying the nature of the requirements. The draft SPD can be found at [www.rbkc.gov.uk](http://www.rbkc.gov.uk) in advance of the final adopted version, which will also be available on the Council's website. On this basis developers will be able to predict with accuracy the likely contributions they will be asked to make.

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

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##### Question 7

*Para 4.3.7 refers to major infrastructure and a schedule of infrastructure requirements is included at Chapter 37. Each Strategic Site Allocation policy also provides for infrastructure needs and planning obligations. Does the Strategy provide sufficient clarity to show that a full range of supporting infrastructure will be supplied?*

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- 7.0 *Yes, the inclusion in Chapter 37 of infrastructure requirements, together with identification of strategic allocations' requirements will assist. However, these are only part of the overall delivery mechanism. In addition the Borough has an Infrastructure Delivery Plan (IDP), which forms part of the evidence base for the Core Strategy. A sub-regional Infrastructure Assessment was undertaken in 2009 and also informs the Borough's own IDP.*
- 7.1 Infrastructure planning is a PPS12 requirement, and the Royal Borough has followed Planning Advisory Service (PAS) guidance on shared best-practice, as well as playing a central role in the Planning Officer's Society (POS) Infrastructure Group, which disseminates and develops good practice. The approach used in RBKC follows the PAS "Steps Approach to Infrastructure Planning and Delivery"<sup>1</sup>.
- 7.2 The Infrastructure Delivery Plan (IDP) is a living document expanding information, where this is available, in response emerging infrastructure requirements. The IDP is updated on an ongoing basis. Formally the updates and progress are reported in the Annual Monitoring Report, although aspects of the IDP can be updated more often, taking account of advice available from government and from PAS, and from the POS Infrastructure Groups set up to share best practice and advise as to what progress is being made towards Infrastructure Planning. The IDP provides an analysis of requirements within the Borough of infrastructure required as a result of known developments. It is updated as information becomes available, and changes are reported to the Council's LSP: the Kensington & Chelsea Partnership. The KCP, and sub-groups of the KCP have been involved in its preparation.
- 7.3 The Core Strategy schedule in Chapter 37 is a brief summary of further information contained within the IDP, which goes into more detail on infrastructure requirements and delivery, linking back to the Core Strategy. The IDP, at both local and sub-regional i.e. central London levels, contains this detail and is used as part of the evidence base.

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<sup>1</sup> [www.pas.gov.uk](http://www.pas.gov.uk)

- 7.4 The IDP itself will be updated over time, and the information contained within Chapter 37 monitored and reviewed. This will occur outside of the Core Strategy process, once the Core Strategy is adopted. The updates will then be reported to the KCP, and through the formal AMR process (as with the 2009 AMR). The KCP, in the Royal Borough's case, provides the governance structure for infrastructure delivery. It receives regular reports on infrastructure, while more detailed assessments and requirements are explored through the various KCP sub-groups.
- 7.5 Setting infrastructure requirements out as a list of projects in Chapter 37 of the Core Strategy, supplemented by the IDP, with identification of the responsibility for their implementation and timescale, provides a coherent and coordinated programme of infrastructure delivery. It is the product of a collaborative approach developed through partners and service providers with an agreed evidence base, and provides the tools for managing and monitoring infrastructure provision, against timescales and targets. The infrastructure delivery process is fully grounded in Core Strategy requirements, but the IDP itself has an implementation framework flexible enough to accommodate changes of circumstances and priorities.
- 7.6 Government guidance requires that the process should have a direct and integral relationship with both the Local Development Framework (LDF) and the Sustainable Community Strategy (SCS). It should involve a variety of agencies, partners and service providers in a systematic way. The Royal Borough is achieving this through its work with the KCP and the creation of a comprehensive infrastructure delivery plan.
- 7.7 In addition to planning for infrastructure delivery, the Council has a means of infrastructure delivery through planning obligations. The Council is in the process of adopting its Supplementary Planning Document on planning obligations, which supplements Core Strategy Policy C1. The response to Matter 2, question 6 explains this in more detail.