

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 Supplementary Statement

Matter 7 – Fostering Vitality

Policy CF5 (k) Employment Zones

This paper explains the thinking behind the final proposed draft of policy CF5(k) in relation to the scope of large office developments in the Employment Zones.

The policy for the Employment Zones should assist the Council in its ambition of maintaining the Borough's Employment Zones as, "maintaining a broad mix of employment opportunities, to protect the small units favoured by local employees, and to ensure diversity of uses within the Borough". As such the Employment Zone should include the "remaining concentrations of light industrial uses, workshops, creative and cultural industries and small business uses outside town centres." (Para 31.3.37 of the Submission Core Strategy.)

This has always been the ambition of Policy CF5, with part (k) of CF5 stating that the Council will "resist large scale offices" within the Employment Zones. Large scale offices (individual units with a floor area of greater than 1,000 sq m) are not supported within the Employment Zones as the Council is concerned that such premises will change the character and function of these areas.

However, as drafted Policy CF5 could have been interpreted in two ways. It could have been read to mean (as the Kensington Society have) that no large scale office premises will be allowed in the Employment Zones – i.e. no individual large office units will be permitted, but also that no business centres containing a mix of smaller units, will be permitted where the total floor area of the business centre would be in excess of 1,000 sq m.

The alternative reading was that no individual large scale offices would be permitted, but that large business centres would be supported as long as no unit within the centre/development had a floor area in excess of 1,000 sq m.

It is the latter interpretation that was intended by the Council. The Council supports business centres, even if these have a floor area greater than 1,000 sq m, as it is such centres that contribute greatly to the function of the Employment Zone, providing the range of units required to 'foster the vitality' of the Borough.

In order to clarify the matter, the Council amended part (k) of Policy CF5 to recognise that large offices would be permitted within the Employment Zones but only where these were made up, entirely, of very small (<100 sq m), small (100-300 sq m) and medium-sized (301 sq m to 999 sq m) office units.

During the Examination in Public the Kensington Society raised concerns that the amended policy position could have unintended consequences and could allow the creation of office developments which solely contain office units with a floor area up to 999 sq m. These are not the valuable smaller business units which usually provide disproportionately more jobs for local people than the larger units, and are not the units that are of particular demand from the Borough's creative and cultural industries. Furthermore, units at the top of the 'medium-sized' range will be of greater 'value' than the smaller and where provided in numbers, have the potential to change the character of the rest of the Employment Zone by raising 'hope values' – and thus reducing the opportunities for relatively inexpensive business space in the Borough. The Employment Land and Premises Study (2007) states that it is the small units (less than 300 sq m) that the Council should be pay "particular attention" to providing. (Para 8.14).

The question is therefore to find a policy which:

- continues to resist the creation of single large scale offices with a floor area of 1,000sq m or more.
- ensures that the majority of floorspace provided will be in the form of the 'very small' and 'small units' of particular value, the units types central to the function of the Employment Zones.
- offers the flexibility to allow the provision of a small number of 'medium-sized' units (with a floor area between 301 sq m and 999 sq m). This will allow both the expansion of existing operators who require a larger unit, and the location of new occupiers attracted to the creative hubs of the Employment Zones.
- sets no artificial limit to the total size of the business centre/ office development proposed, as long as the nature of the units within it are considered appropriate. Policy CT1 will ensure that the traffic/congestion implications of the proposal are fully assessed.

Looking at the evidence base, the 2007 Employment Land and Premises Study considered existing unit sizes within the Borough's three Employment Zones. This information was based upon data from the Office Valuation for 2005. The study showed (table 4.5) that an average of approximately 90% of all the units across the Borough's three Employment Zones had a floor area of less than 300 sq m.

	Medium offices 300 sq m – 1000 sq m	Small offices 100-299 sq m	Very small offices <100 sq m
Kensal	6%	17%	77%
Freston/ Latimer Road	18%	41%	41%
Lots Road	4%	31%	65%
Average for all Employment Zones	9.3%	29.5%	61%
Rounded Average for all employment zones	10%	90%	

Table1: Unit Size by Employment Zone, from Employment Land and Premises Study, Roger Tym and Partners, 2007

It is therefore reasonable to assume, for the sake of this exercise, that for every nine 'very small' or 'small' units with a floor area up to 300 sq m, there will one medium unit with a floor area up to 999 sq m. The Council has made it clear in the drafting of the Core Strategy that large offices are not supported. Working on the maximum floor areas, this results in 2,700sq m in small or medium offices, for every 1000 sq m in a medium office. This equates to a ratio of 3:1 in terms of floor area for very small and small units against medium sized units.

The Council does not consider it appropriate to 'micro manage' the nature of offices further and to be more prescriptive on the mix of very small and small units. Whilst the Council does recognise that it is the very small units (<100 sq m) that are in particular demand and are those that do employ a disproportionate number of local people, small units are also considered appropriate within the Employment Zones. Taking an overly prescriptive approach would merely stifle development and be contrary to the Council's ambitions for the areas.

For these reasons, the following policy wording is proposed:

k) Resist large office developments except when consisting entirely of very small, small or medium units and where the total floor area (net) of the medium-sized units make up no more than 25% of the total office development.

(Single underline indicates the changes proposed following submission. Double underlining is the additional text proposed following the hearings).