

CDT/jr/DP2077

07 June 2010

Ms Carmel Edwards
EiP Secretariat
Committee Room 1
City Hall
The Queen's Walk
London SE1 2AA

100 Pall Mall
London SW1Y 5NQ
telephone 020 7004 1700
facsimile 020 7004 1790
www.dp9.co.uk

Dear Ms Edwards,

**Draft Replacement London Plan - Examination in Public
Submission of Written Statements and Core Documents
Earls Court & Olympia Group (Participant No. 795)**

Please find enclosed Written Statements and Core Documents for consideration by the Panel, submitted by Capital & Counties on behalf of Earls Court & Olympia Group.

The following documents are enclosed:

- Written Statement for Matter 2F – Opportunity Areas and Intensification Areas.
- Written Statement for Matter 2G – Town Centres.
- Written Statement for Matter 4B – Offices.
- Written Statement for Matter 4F – Retailing.
- Earls Court & West Kensington Opportunity Area Transport Report – Core Document RD50.
- Earls Court & West Kensington Opportunity Area Office Assessment – Core Document RD51.
- Earls Court & West Kensington Opportunity Area Retail and Leisure Assessment – Core Document RD52.

The above documents are submitted in the context of representations made by Capital & Counties to the draft Replacement London Plan consultation in January 2010 and the New Plan for London consultation document in June 2009. The representations were supported by a number of evidence base documents. For ease of reference these are listed overleaf.

Should you have any queries on the submission at this stage, please do not hesitate to contact Craig Tabb of this office.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'C. Tabb'.

CRAIG TABB



Evidence Base Documents submitted in support of Capital & Counties' representations to the Draft Replacement London in January 2010:

- Earls Court & West Kensington Opportunity Area: Place Making Report
- Earls Court & West Kensington Opportunity Area: Housing Capacity
- Earls Court & West Kensington Opportunity Area: Employment Capacity

Evidence Base Documents submitted in support of Capital & Counties' representations to A New Plan for London consultation document in June 2009:

- Planning Policy Summary.
- Earls Court Regeneration Area Framework.
- Design Principles Summary Study.
- Summary Townscape and Tall Building Study.
- Summary Socio Economic Study.
- Retail Land Use Summary Study.
- Hotel Land Use Summary Study.
- Summary Culture, Destination and Leisure Land Uses Study.
- Housing Land Use Summary Study.
- Summary Transport Study.
- Summary of Sustainability Approach.
- Summary Infrastructure and Waste Study.

WRITTEN STATEMENT

OF

EARLS COURT & OLYMPIA GROUP

FOR

**LONDON PLAN EXAMINATION IN PUBLIC
MATTER 2F**

Introduction

1. This Written Statement is submitted by Capital & Counties (C&C) on behalf of Earls Court & Olympia Group (ECOG). It follows representations to the draft Replacement London Plan (RLP) in January 2010. The representations include a suite of evidence base documents concerning the development potential of the Earls Court & West Kensington Opportunity Area (ECWKOA), which is a newly designated Opportunity Area. The evidence base documents (dated January 2010) comprise a **Place Making Report, Housing Capacity Report and Employment Capacity Report**.
2. Since January 2010, additional evidence base documents have been produced to support C&C's representations and EiP Written Statements. The additional documents (dated June 2010) comprise a **Transport Report (RD50), Office Assessment (RD51) and Retail and Leisure Assessment (RD52)**.

A. What is the role of the proposed Opportunity Area Frameworks and are they likely to compromise LDF formulation?

4. The RLP clearly envisages OAPFs to be produced for Opportunity Areas (Policy 2.13, para 2.58 and Annex 1). This is consistent with Government guidance e.g. Circular 1/2008 confirms (paragraph 2.22-5) that the Mayor may issue guidance to supplement policies in the London Plan, including area frameworks.
5. RLP (Annex 1) explains that OAPFs can take different forms depending on local circumstances. C&C considers that OAPFs can provide an important layer of strategic supplementary guidance to clarify London Plan policy, pull together key regional strategies and assist in LDF preparation. OAPFs enable stakeholders to agree priorities and guidelines. They should provide an appropriate level of detail to guide development, but not prescribe how or when it will happen. Importantly, they should not prevent schemes coming forward nor slow down development. The actual status and role of OAPFs in relation to LDFs should be explained more clearly. As part of this, it should be clarified that in some local circumstances, strategic SPD produced at the Borough level for Opportunity Areas can form the basis of an OAPF or be a SPD to the London Plan.

B. Are the strategic policy directions in Annex 1 sufficiently strategic...?

6. Annex 1 identifies strategic policy directions and figures representing indicative employment capacity and minimum new homes for each Opportunity Area. These need to be considered together in order to understand the sufficiency and soundness of the policy directions. Indeed, the introductory text to Annex 1 explains that the employment and housing figures are integral to RLP Policy 2.13 'Opportunity Areas'.

8. The policy directions, employment and homes figures should be founded on credible up-to-date evidence. They should also:
 - a. reflect RLP Opportunity Area policy objectives; and
 - b. take into account the scale of the opportunity and the evidence in place to support significant land use change.
9. **ECWKOA is currently allocated for 7,000 indicative new jobs and 2,000 minimum new homes.** The associated strategic policy direction explains that the Opportunity Area presents a significant regeneration opportunity. However, C&C's representations make clear that the job and housing numbers are insufficiently strategic and do not properly reflect the strategic opportunity of the ECWKOA. This is supported by the robust evidence base documents mentioned in paragraphs 1 and 2.
10. **C&C ask that the indicative employment and minimum new homes figures are revised to reflect the strategic potential of the ECWKOA and up-to-date robust evidence.** The evidence prepared by C&C demonstrates clearly that the current ECWKOA figures are not founded on credible evidence and are based upon overly conservative and out-of-date assumptions.
11. **A more strategic and reasonable policy direction for ECWKOA would be achieved if the current Annex 1 figures were revised to 24,000 indicative jobs and 8,000 minimum new homes.** The case for this is explained in a suite of evidence base documents (noted in paragraphs 1 and 2). The headline points C&C would like addressed through discussion at the Examination in Public are, as follows:
 - a. The ECWKOA is a centrally located, large, accessible and underutilised area of London. It represents the chance to deliver substantial land use change and mixed use development. It is a key opportunity to deliver large scale regeneration consistent with policy directions set out in the RLP with scope to optimise development density and deliver associated infrastructure improvements. However, as explained in the Place Making Report (January 2010), this is not properly conveyed in RLP Annex 1. An increase in job and housing figures is required to properly reflect the scale of opportunity that should be realised.
 - b. The Place Making Report (January 2010) demonstrates that the current proposed job and housing figures are clearly based on an unreasonable and unrealistic low density level (approximately 135 units per hectare and equivalent to a poorly accessible urban site), whereas the ECWKOA is centrally located and already benefits from high levels of accessibility. Redevelopment of the ECWKOA at a density commensurate with higher accessibility in line with RLP policies would deliver approximately 8,000 new

homes and this ought to be the minimum indicated.

- c. The Housing Capacity Report (January 2010) considers household growth, housing need and how the RLP proposes to locate additional housing supply. It concludes that:
- Significant household growth in London's population is projected to 2031 and significant new housing provision is required to meet this growth.
 - Historic delivery of housing in London has fallen short of the level now being proposed within the RLP. It is, therefore, an ambitious target.
 - Importantly, there is a deficit of supply in West London, where there is high demand and where the ECWKO is located.
 - Opportunity Areas have a crucial role to play in meeting housing targets.
 - In particular, the ECWKO is well placed to accommodate growth. It is in a location where the population projections indicate significant growth and the scale of the opportunity enables a sustained approach.

This reinforces the case for a significantly increased amount of minimum new homes for the ECWKO.

- d. A Transport Report (June 2010) has been undertaken by WSP Group in accordance with a methodology agreed with Transport for London (TfL). It provides a strategic assessment and underlying evidence about the capacity of the ECWKO over the next 20-25 years (the RLP plan period).

The Report tests a series of development scenarios which cover a range of population and density level assumptions for the ECWKO. The tested scenarios range from 5,560 to 9,783 homes and 12,165 jobs to 31,895 jobs which all significantly exceed the current draft RLP low number of a minimum of 2,000 new homes and an indicative number of 7,000 new jobs. The scenarios take into account expected growth in housing and employment across London, including the nearest other Opportunity Areas set out in the RLP.

Overall, the Report provides strong further evidence on transport grounds to support a significant increase in the proposed job and housing figures for the ECWKO in accordance with C&C's representations. The analysis demonstrates that there is sufficient capacity within the transport network to accommodate **all** the development scenarios tested, some of which are higher

than being sought as the minimum by C&C at this stage. The Transport Report serves to justify C&C's case that the current figures are not sufficiently strategic and do not represent up-to-date evidence or take into account the role of public transport accessibility and capacity.

It is important to recognise that development quantum much greater than that currently proposed in RLP can be accommodated without requiring significant investment in new transport infrastructure. This is a major advantage of ECWKOAs when compared to other Opportunity Areas.

- e. Annex 1 strategic policy direction for ECWKOAs explains that the Opportunity Area has the potential for 'strategically significant offices'. However, this is not represented in the corresponding indicative employment capacity figure of only 7,000 new jobs. There is inconsistency between the policy direction and the proposed indicative employment capacity which effectively results in an unrealistic and unsound allocation. Evidence produced by CBRE in an Employment Capacity Report (January 2010) and Office Assessment (June 2010) clearly demonstrates that a more robust and strategic indicative employment capacity for the ECWKOAs, which takes into account the potential of substantial land use change over the plan period, is 24,000 jobs. This is due to various factors:
- There is a clear need for sufficient long term employment capacity in suitable locations. In particular, the West End is significantly under-supplied with office space relative to forecast levels of demand growth over the RLP period.
 - Suitable locations for expansion of the West End are likely to be located to the west of CAZ given well-developed, longstanding trends.
 - The boroughs of RBKC and LBHF present obvious and logical places to seek opportunities for new significant new office development to accommodate West End expansion. Overall, the two boroughs do not have adequate supply capacity to accommodate significant expansion. There is a need for additional office supply capacity within the two boroughs in a suitable accessible location.
 - The ECWKOAs have high accessibility and physical capacity for significant office development as part of a major new mixed use district, creating a modern West End environment.
 - Having regard to the need for a critical mass – as supported by evidence from other business hubs in London – provision of 300,000 sqm of office floorspace would be the minimum appropriate for ECWKOAs as a strategically significant office location. This quantum of floorspace would yield in the order of 20,000 new jobs. When the

Matter 2F

job creation from other land uses is taken into account, the ECWKOAs could provide approximately 24,000 jobs. This is significantly greater than the current indicative employment capacity figure in Annex 1 of the RLP and demonstrates the unsound and unstrategic approach that has been taken to the figures.

For the key headline reasons explained above, and as justified in the Employment Capacity Report (January 2010) and an Office Assessment (June 2010), the ECWKOAs indicative employment capacity figure should be revised.

- f. The draft policy relating to the ECWKOAs does not adequately recognise the potential benefit of access to jobs and services that development in the area would offer; nor does it sufficiently recognise the advantages of locating economic activity and development in an area where high levels of accessibility to public transport can be achieved.

C. Should Annex 1 include a programme for delivery of homes and jobs within each area?

12. C&C does not consider it appropriate for Annex 1 to include a programme for delivery. This is something that should be established in broad terms through OAPFs and will, in any event, be subject to change due to market forces and realities. A delivery programme would be misleading and is likely to be inconsistent given the varying amounts of evidence available for each Opportunity Area.
13. It is more important for Annex 1 to include reasonable and sound allocations for indicative employment capacity and minimum new homes for each of the Opportunity Areas - particularly new Opportunity Areas. As already explained in response to question (b), in the case of ECWKOAs, the currently proposed indicative employment and minimum new homes figures are based on unsound assumptions. This is particularly the case given the 20-25 year plan period and the significant amount of clear evidence which is in place to support significantly greater figures being realised at ECWKOAs over this period. There is no credible evidence to the contrary.

D. Should there be checks on excessive office development?

14. Specific checks on office development would be inappropriate and could harm the development of Opportunity Areas. Opportunity Areas are the primary areas designated to accommodate London's growth, it is appropriate that office development is considered as part of the development mix with some areas having greater potential than others e.g. ECWKOAs as explained in paragraph 11d. The adoption of indicative employment figures is sufficient in these circumstances.

15. The level of proposed office development within individual areas will be tested through Opportunity Area Planning Frameworks, or the equivalent planning guidance and/or planning application processes in accordance with Planning Policy Statement 4.

WRITTEN STATEMENT

OF

EARLS COURT & OLYMPIA GROUP

FOR

**LONDON PLAN EXAMINATION IN PUBLIC
MATTER 2G**

1.0 Introduction

- 1.1 This Written Statement is submitted by Capital & Counties (C&C) on behalf of Earls Court & Olympia Group (ECOG) with regard to the Earls Court & West Kensington Opportunity Area (ECWKOA).
- 1.2 The ECRA constitutes the majority of the ECWKOA identified as a location for strategic growth and change in the draft Replacement London Plan (RLP).
- 1.3 The ECRA straddles the borough boundary between the Royal Borough of Kensington and Chelsea (RBKC) and London Borough Hammersmith & Fulham (LBHF). It is recognised by both authorities as a development opportunity in their respective Core Strategies.
- 1.4 The draft RLP identifies Opportunity Areas (OAs) as “the capital’s major reservoir of brownfield land with significant capacity to accommodate new housing, commercial and other development linked to existing or potential improvements to public transport accessibility”. It advises that development densities for residential and non residential development should be optimised. The ECWKOA is identified in Annex 1 as a “significant opportunity for regeneration comprising estate renewal and housing and employment growth” where “the potential for a strategic leisure, cultural and visitor attraction and strategically significant offices should be explored together with retail, hotels and supporting social infrastructure”.
- 1.5 The future development of the ECWKOA would realise regeneration on a strategic scale. The location and accessibility of the ECWKOA provides the chance to create and evolve a new urban quarter and town centre.
- 1.6 C&C have submitted a **Retail and Leisure Assessment (Core Document RD52)** setting out how a new District Centre at ECWKOA, as a minimum, is acceptable in terms of retail capacity, sequential approach and retail impact. The document concludes that the development scenarios assessed for ECWKOA generate a floorspace capacity for retail (use classes A1-A5) ranging from 15,836 – 66,699 sqm, there are no sequentially preferable sites to accommodate this need and that the ECWKOA proposals are likely to have less than 2.5% impact on any individual centre, an acceptable level of trade diversion that is unlikely to have a detrimental effect on individual centres vitality and viability. Even using the lower development scenario, this translates as a new District Centre, rising to a new Major Centre utilising the medium and upper development scenarios. It is considered that the allocation of a new District centre, as a minimum, at ECWKOA complies with the requirements of PPS 4.

2.0 Response to Issues for Discussion

2.1 Of the list of issues identified for discussion, C&C only wish to comment on issue (c).

(c) Should there be a more positive approach to driving the pattern of retail centres in London which is less reliant on maintaining the status-quo, for example with a small number of metropolitan centres growing into “super-hubs”, provision of new centres (such as within the VNEB Opportunity Area) and focused investment in other centres?

2.2 The RLP should be more positive in its promotion of the retail development outside of existing centres by giving greater recognition to the potential for Opportunity Areas, such as ECWKOAs, to deliver new retail centres as part of their overall regeneration. A number of the OA's, such as ECWKOAs, generate their own requirement for retail, leisure and other town centre development as a result of significant increases in residents and employees. Allowing for the designation of new centres within OA's would assist in creating mixed-use and sustainable communities within those areas. Whilst such retail development in the OA's should not be to the detriment of existing centres, it is imperative that their development potential is not stifled through maintaining the status quo in the retail hierarchy.

2.3 The ECWKOAs have the potential to provide a retail, leisure and office centre at the heart of a strategic area of regeneration and renewal. This should be flagged up much more strongly in the RLP. C&C proposes the allocation of the site as a new District Centre as a minimum for the reasons set out below and covered in more detail within the Retail and Leisure Assessment:-

- a. National planning policy focuses on regeneration of brownfield sites for high density mixed use development. Significant emphasis is placed upon creating sustainable communities with easy access to places of work, shops and facilities.
- b. Further, national guidance advises regional authorities to be positive, proactive and flexible in setting policies for their network and hierarchy of centres. Identified deficiencies should be addressed by either promoting existing centres to function at a higher level or through the designation of new centres.
- c. It is the very nature of OAs that they are areas of planned substantial land use change and high density mixed use development, at a scale which can involve the development of new centres, as referred to in suggested amendment 2.53 of the draft RLP.
- d. ECRA has been identified in the draft RLP as forming the majority of the ECWKOAs, with its planned mixed use regeneration and growth. Annex 1

identifies the ECWKOAs as a significant high density regeneration opportunity with potential for various mixed uses, including town centre uses.

- e. ECRA has the potential to provide a hub for the ECWKOAs, focusing on key town centre uses such as retail, leisure, employment space and social and community uses, along with a significant element of residential. The site can incorporate hotels, leisure, restaurants/bars and various community facilities. When these town centre uses are factored in with the proposed residential, office and retail offer it creates a genuine mixed-use place with the potential for a large number of linked trips.
- f. ECWKOAs will deliver a significant number of new homes and jobs. This will generate expenditure that would be sufficient to support town centre uses within the ECWKOAs.
- g. The ECWKOAs can deliver a vibrant place in line with the draft RLP aspirations for the ECWKOAs and in accordance with what one would expect of an area designated as a District Centre.
- h. The designation of the ECWKOAs as a District Centre, as a minimum, would be consistent with policy advice in PPS4, for the following reasons.
 - There would be a need for the town centre uses of retail and leisure. The technical analysis carried out by DP9 demonstrates that redevelopment of the ECWKOAs is likely to be of a scale that will lead to sufficient indigenous generated expenditure to justify the provision of floorspace at a minimum, of a level which would be consistent with District Centre designation as defined in the draft RLP.
 - The provision of these uses within the ECWKOAs, close to the new residential and office development that they would be intended primarily to serve, would allow that need to be satisfied in a highly sustainable and accessible location as part of a broader mix of uses, consistent with the underlying objective of the sequential approach.
 - A scheme with the characteristics of District Centre at ECWKOAs would have no material adverse impact on the vitality and viability of neighbouring centres.

2.4 The main purpose of both the retail and leisure uses will be to serve the significant number of new residents and office workers that will be generated by the proposals. Analysis by DP9 indicates that the likely development scenarios for the ECWKOAs generate a retail (use classes A1-A5) floorspace capacity ranging from 15,836 – 66,699 sqm (gross). In addition, there is a clear and defined need for the likely quantum of leisure proposed, particularly bearing in mind the existing use of the site.

- 2.5 Therefore, we conclude that a District centre will have a limited effect on existing nearby centres. Indeed, it is likely that the other centres will benefit from the significant additional expenditure generated by ECWKO A, as it is not realistic to assert that all of the money generated will be spent at the site.
- 2.6 Nonetheless, DP9 have calculated the worse case scenario, where only approximately 50% of the comparison goods floorspace proposed in the highest development scenario is met by ECWKO A generated expenditure. A benchmark impact assessment has been carried out to analyse the likely levels of trade diversion from nearby centres.
- 2.7 As set out in the C&C's Retail Evidence Base Document, the ECWKO A proposals are likely to have a less than 2.5% impact on any individual centre, a more than acceptable level of trade diversion that is unlikely to have a detrimental effect on the individual centres vitality and viability.
- 2.8 The analysis set out in C&C's Retail Evidence Base Document is reinforced by borough wide retail and leisure studies undertaken on behalf of LBHF and RBKC, both of which demonstrate that there is capacity to support substantial retail and leisure development in RBKC/LBHF in the period between now and 2026.
- 2.9 **Accordingly, we request that Table A2.2 of Annex 2 to the draft RLP be amended to incorporate a reference to the ECWKO A having the potential to accommodate a new District Centre. We also request that this is reflected in Annex 1 Ref.8 of the RLP in relation to the Strategic Policy Direction for the ECWKO A. It should be made clear that the ECWKO A has the potential to realise a new District Centre, as a minimum, based on the evidence contained in C&C's Retail and Leisure Assessment.**

**WRITTEN STATEMENT
OF
EARLS'S COURT & OLYMPIA GROUP
FOR**

DRAFT REPLACEMENT LONDON PLAN – EXAMINATION IN PUBLIC

MATTER 4B – LONDON'S ECONOMY – OFFICES AND MIXED USE DEVELOPMENTS

Introduction

1. This statement is submitted by Capital and Counties (C&C) on behalf of the Earls Court and Olympia Group. It follows representations by C&C to the consultation on the draft Replacement London Plan (RLP) in January 2010 with respect to the newly designated Earls Court and West Kensington Opportunity Area (ECWKOAs), including a report 'Earls Court & West Kensington Opportunity Area: Employment Capacity Evidence Base' (CB Richard Ellis, January 2010). Since then C&C have submitted a further report 'Earls Court & West Kensington Opportunity Area: Offices Assessment' (CB Richard Ellis, June 2010) for inclusion in the EiP Core Document Library.
2. C&C's representations support the designation of the ECWKOAs but object to the indicative housing and jobs capacity figures included in the RLP, making the case that the allocation of 7,000 new jobs is much too low and inconsistent with the RLP strategic policy direction for the ECWKOAs as set out in Annex 1 of the RLP which states that the ECWKOAs "presents a significant opportunity for employment growth" and the potential for "strategically significant offices".
3. The evidence presented and issues raised in respect of the employment capacity in the ECWKOAs are highly relevant to questions (a) and (b) under EiP Matter 4B. Comments in response to these two questions are set out below.

Question A

Is there sufficient guidance on the location and amount of office floorspace required in London in terms of the guidance of PPS4? For example, should there be disaggregation into sub-regions, London boroughs? Should the requirements be broken down into 5-yearly segments?

4. The RLP provides guidance on the location of office space required in London only in terms of a proposed distribution between the three areas of the Central Activities Zone (CAZ), Inner London and Outer London.
5. PPS4 calls for regional planning authorities to use evidence "based on an understanding of the economic markets operating in and across the area" and states that assessment of the need for new office development should "take account of future forecast employment levels

and assess the physical capacity of centres to accommodate regionally significant new office development” (Policy EC1.2). PPS4 also requires regional planning bodies to ensure their development plan “sets out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth” (Policy EC2.1(a)).

6. In line with the PPS4 approach, the London Plan can be expected to explicitly provide strategic guidance to support the aims of the Mayor’s economic development strategy (‘Rising to the Challenge: The Mayor’s Economic Development Strategy for Greater London, Public Consultation Draft’, October 2009) to ensure there is sufficient long term capacity for workplace growth, to lessen the burden of high office costs and to ensure emerging sectors can grow in places meeting their needs.
7. The RLP’s strategic guidance on the location of office floorspace within London is not fully developed in relation to these objectives, nor with sufficient reference to issues identified in the evidence base (London Office Policy Review (LOPR) 2009). This can be illustrated by reference to spatial mismatches between office demand and supply and the identified need for workplace expansion capacity to accommodate the growth of London’s West End office-based economy.
8. Salient points on to these issues are summarised as follows:
 - London’s West End economy is a vital component of its world city role; it is London’s largest office market with a diverse and dynamic mix of occupier sectors.
 - Office employment growth in the West End has substantially out-paced the slow rate of expansion of the office stock in this market for the past 25 years, driving rental growth above the rate of inflation. Office rents in the core West End are the highest in the world.
 - High and rising occupational costs threaten damage to competitiveness together with reduced attractiveness of the West End to new businesses.
 - The West End is significantly under-supplied with office space relative to forecast levels of demand growth over the London Plan period, taking account of supply capacity in Westminster and Camden combined. There is therefore a clear need for sufficient long term capacity in suitable alternative locations to accommodate workplace growth for West End expansion.
 - In view of the longstanding trend of occupiers drifting westward from Central London, noted in the London Office Policy Review (LOPR) 2009, locations to the west of the CAZ in the boroughs of Kensington & Chelsea (RBKC) and Hammersmith & Fulham (LBHF) present the obvious and logical places to seek development opportunities to accommodate West End expansion.
9. LOPR forecasts of office demand and supply in RBKC and LBHF which identify a significant under-supply of office space across these two boroughs, but do not include any allowance for office development in the ECWKO – supply capacity in this location is thus potentially of strategic significance in meeting the identified office space need.
10. By comparison with the eastern part of the CAZ and in East London boroughs, the western sector of London has fewer Opportunity Areas where major development can ameliorate the identified under-supply of office space in the West End and Inner West London. Optimal realisation of development potential in the ECWKO, alongside capacity in the White City Opportunity Area, is therefore important and would support the London Plan objective of maximising the development capacity of Opportunity Areas to realise their full potential.
11. There is scope for the London Plan to develop further strategic guidance on the location of office floorspace, taking account of the marked spatial imbalances within London in office demand and supply and the key role of Opportunity Areas in providing a vital part of

London's growth capacity. This should include strategic guidance to address the requirement for additional capacity in suitable locations to help meet the strategic need for West End expansion.

Earls Court & West Kensington Opportunity Area: Potential for Strategically Significant Offices

12. The RLP identifies the ECWKOAs as an area where the potential for strategically significant offices should be explored, but the indicative employment allocation for the Opportunity Area is only 7,000 jobs in total. There is a fundamental disconnection between these two aspects of the strategic policy direction for the ECWKOAs. Simply put, a location for strategically significant offices requires a much higher employment capacity.
13. The ECWKOAs are highly suitable locations for significant office development: their potential is very strongly supported by their high public transport accessibility and the physical capacity to house strategic offices within a major new mixed-use district. The ECWKOAs are served by three Underground stations and the overground rail line linking Clapham Junction to North West London. There is an economically active population of approximately 1.5 million within a 45 minute peak journey time by public transport to Earls Court. The ECWKOAs thus offer a distinctive, highly valuable opportunity to locate significant new offices in a highly accessible place.
14. The physical extent of the ECWKOAs (31 hectares) will enable strategic offices to be developed as part of a large, multi-faceted, vibrant and complex mix of uses which will create a new London district of distinctive character with its own sense of place, all set within an attractive and well-designed public realm.
15. The scale of the development will enable creation of critical mass and economies of agglomeration for office occupiers, crucial to the realisation of the potential as a strategic office location. There is sufficient development capacity to provide a varied mix of office buildings for different types and sizes of office occupiers, with phased delivery over a long timescale allowing scope for office building to respond to shifts in occupier requirements and changing market conditions.
16. In light of the ECWKOAs' potential, the indicative jobs capacity of 7,000 is a chronic under-utilisation of a valuable development resource in this location. Accessibility, capacity and critical mass considerations would support an allocation of a minimum of 20,000 office jobs in the ECWKOAs. This is evidenced in the Employment Capacity Evidence Base and Offices Assessment

Question B

Are the assumptions on which the forecasts have been made appropriate?

17. Office floorspace demand forecasts for London over the Plan period to 2031 are based on projections of office employment taken from the LOPR 2009 which draw on employment projections produced by GLA Economics. Evidence presented by C&C indicates that the assumptions behind the office demand forecasts in the RLP pose questions on the reliability of these forecasts, which are relevant to assessment of the need for additional office supply in the sector of London where the ECWKOAs are located.
18. Financial and Business Services (FBS) are the main source of office job growth in London. GLA Economics' projections show that the bulk of job growth within the FBS sector to 2031 will occur in business services with a minimal increase in financial services. GLA Economics'

projection of business services employment is a residual from projections of employment in other sectors within a total London employment forecast. This constrains future job growth in business services because GLA Economics believe that allowing historic employment trends in this sector to continue would result in it gaining an implausibly high share of all London employment.

19. Arbitrarily constraining business services job growth in this way as a residual is a less than robust and satisfactory approach to a sector accounting for 26% of total London employment in 2007. The GLA 2009 projection shows an increase of 372,000 jobs in business services from 2007 to 2031 which compares with an increase of 526,000 jobs in the previous forecast produced in 2007. This is a 29% reduction and GLA Economics notes "as business services is a residual this change has occurred as a result of changes in other sectors" (Working Paper 38, 2009). The GLA Economics 2009 projection for business services employment shows a markedly low rate of growth to 2031 compared with long term historic trends.
20. The GLA Economics projections for FBS employment are not grounded in analysis of the growth drivers and future prospects of these sectors in London. The results cannot be taken as robust or reliable estimates of potential future growth in FBS employment. By comparison with historic evidence, the projections appear inherently biased towards low rates of job growth in these sectors.
21. Relatively modest changes to the assumptions for long term growth in business services jobs in London produces substantial differences in total employment by 2031, as illustrated in scenarios presented in C&C's representations. These show that required office floorspace to accommodate business service job growth could plausibly be up to 2 million sq m more than the forecast of 4.2 million sq m adopted in the London Plan.
22. The RLP forecasts of office floorspace demand assume an occupational density of 12 sq m (net) per worker. In our view this is an unrealistically high density.
23. A further serious issue regarding the credibility of the office demand forecasts concerns inconsistencies between GLA sector employment projections and LOPR forecasts of office job growth at borough level. These disparities are clearly illustrated by comparison of the projections for the City of Westminster with those for the City of London and Tower Hamlets. Westminster has more jobs in business services than the City and Tower Hamlets combined, yet its projected office job growth to 2031 is less than the other two boroughs. The scale of office job growth projected for the City and Tower Hamlets is difficult to reconcile with the fact that over half of their office employment is in financial services, where the GLA projections show minimal job growth to 2031.
24. The assumptions used in the forecasts adopted in the RLP lead to a bias towards understating the future scale of demand in London as a whole and in particular are likely to underestimate future levels of office demand in the western part of the Central Activities Zone (CAZ), where estimates of future office capacity show a large under-supply. More realistic assessment of demand growth would show an even greater shortfall and hence need for workplace expansion capacity in suitable alternative locations. This strengthens even further the case for a much higher employment allocation for the ECWKO, consistent with its potential for strategically significant offices.

WRITTEN STATEMENT

OF

EARLS COURT & OLYMPIA GROUP

FOR

**LONDON PLAN EXAMINATION IN PUBLIC
MATTER 4F**

1.0 **Introduction**

- 1.1 This Written Statement is submitted by Capital & Counties (C&C) on behalf of Earls Court and Olympia Group (ECOG). Their holdings total 28 hectares and present a significant redevelopment opportunity, referred to in this statement as the Earls Court Regeneration Area (ECRA).
- 1.2 The ECRA constitutes the majority of the Earls Court & West Kensington Opportunity Area (ECWKOAA) identified as a location for strategic growth and change in the draft Replacement London Plan (RLP).
- 1.3 The ECWKOAA straddles the borough boundary between the Royal Borough of Kensington and Chelsea (RBKC) and London Borough Hammersmith & Fulham (LBHF). It is recognised by both authorities as a development opportunity in their respective Core Strategies.
- 1.4 The future development of the ECWKOAA would realise regeneration on a strategic scale. The location and accessibility of the ECWKOAA provides the chance to create and evolve a new urban quarter and town centre.
- 1.5 C&C have submitted a **Retail and Leisure Assessment (Core Document RD52)** setting out how a new District Centre at ECWKOAA is acceptable in terms of retail capacity, sequential approach and retail impact.
- 1.6 As set out in greater detail under issue (e) below, the document concludes that the likely development scenarios at ECWKOAA generate a floorspace capacity for retail (use classes A1-A5) ranging from 15,836 – 66,699 sqm, there are no sequentially preferable sites to accommodate this need and that the ECWKOAA proposals are likely to have less than 2.5% impact on any individual centre, an acceptable level of trade diversion that is unlikely to have a detrimental effect on individual centres vitality and viability. Even using the lower development scenario, this translates as a new District Centre, rising to a new Major Centre utilising the medium and upper development scenarios. It is considered that the allocation of a new District Centre at ECWKOAA, as a minimum complies with the requirements of PPS 4.
- 1.7 **On the basis of evidence presented in the Retail and Leisure Assessment, C&C request that Table A2.2 of Annex 2 to the draft RLP be amended to incorporate a reference to the ECWKOAA having the potential to accommodate a new District Centre. C&C also request that this is reflected in Annex 1 Ref.8 of the RLP in relation to the Strategic Policy Direction for the ECWKOAA. It should be made clear that the ECWKOAA has the potential to realise a new District Centre, as a minimum.**

Response to Issues for Discussion

1.8 Of the list of issues identified for discussion, C&C wish to comment on issues (a), (b), (c), (d) and (e).

(a) Does the policy sufficiently reflect the guidance of PPS4 and should there be a reference to the ‘impact test’ (paragraph 4.41)?

1.9 It is considered that in the main, retail policy in the draft RLP reflects the guidance contained within PPS4. However, it is not suitably flexible and proactive in respect of the ability of Opportunity Area’s (OA’s) to deliver significant retail/leisure development and accommodate new centres supporting major regeneration areas.

1.10 Whilst C&C supports suggested amendment 2.53, which highlights the need to review the London Plan hierarchy and bring forward new centres where appropriate and identifies the potential and suitability of OA’s to accommodate new town centres as a result of high density mixed use development, the RLP should identify specific potential new centres in OA’s, in particular at ECWKOA.

1.11 C&C’s Retail Evidence Base Document indicates that under the likely development scenarios for the ECWKOA, the ECWKOA has the ability to generate a retail (use classes A1-A5) floorspace capacity ranging from 16,089 – 68,342 sqm, in addition to 3,712 – 12,060 sqm of leisure. This equates to a District - Major Centre in terms of the draft RLP definition of centres.

1.12 Accordingly, in line with the draft RLP definition of centres and the guidance set out in policies EC2.1(a) and EC3.1(a) of PPS4, we request that Table A2.2, Annex 2, to the draft RLP be amended to incorporate a reference to ECWKOA having the potential to accommodate a new District Centre.

1.13 In addition, the policy should make it clear that a rigid application of the sequential approach is inappropriate for OA’s that deliver town centre uses as part of regeneration of an area, on the basis that the retail need created by the regeneration is best met within the OA. In delivering planned regeneration there is a need to create a sense of place and a sustainable community, including retail and leisure development. Therefore, requiring parts of development envisaged at OA’s to be located within even a number of smaller sites in existing town centres runs contrary to policy aspirations.

1.14 In respect of the specific comment regarding impact, we would support a reference to town centre schemes in OA’s being required to demonstrate that there is no unacceptable impact in terms of the tests set out in PPS4. A more detailed reference is not necessary as the London Plan does not need to repeat national guidance.

(b) Are the forecast requirements for comparison retailing soundly based? Should disaggregated figures be provided to sub-regions, Boroughs or even some categories of centres?

- 1.15 C&C considers that the forecast comparison retailing requirements are soundly based.
- 1.16 However, C&C does not consider it appropriate to provide disaggregated figures. Comparison goods capacity at the local level should be assessed within the context of the overall study, taking account of local factors, demographics and shopping trends.

(c) Does the policy when taken with Annex 2 provide an appropriate balance between flexibility and prescription?

- 1.17 It is considered that as presently worded the policy lacks flexibility in that Annex 2 does not identify the potential for OA's, such as the ECWKOAs, to deliver new centres as part of their comprehensive redevelopment. As set out in C&C's Retail and Leisure Assessment, the development likely to be delivered at ECWKOAs will generate an "indigenous" need/capacity for retail and leisure floorspace, at a minimum, equivalent to a District centre, rising to a Major Centre under the higher growth scenarios. Furthermore, retail and leisure are a key component in creating sustainable urban quarters that are required to unlock the development potential of OA's such as the ECWKOAs. This should be reflected in the RLP.
- 1.18 Whilst this concern has in part been addressed by suggested amendment 2.53, for the reasons expressed in this written statement **the ECWKOAs should be included as a potential future District centre, as a minimum, in Table A2.2 of Annex 2 to the draft RLP.**

(d) Is there any need to refer to convenience retailing?

- 1.19 No. Convenience retailing needs are dictated by local factors and planning policy should be formulated at the Borough level.

(e) Should the potential for new Metropolitan or Major centres within Opportunity Areas (as detailed in Annex 1) which have appropriate sustainable transport provision or potential be flagged-up more strongly?

- 1.20 OAs are designated as they are capable of accommodating substantial growth and have either good accessibility or are capable of delivering the infrastructure improvements necessary to justify high density development.
- 1.21 The ECWKOAs has the potential to provide a retail, leisure and office centre, in addition to significant housing, at the heart of a strategic area of regeneration and renewal. This should be flagged up much more strongly in the RLP at Annex 1 Ref.8 in relation to the Strategic Policy Directions for ECWKOAs. C&C proposes

the allocation of the ECWKOAs as new District Centres, as a minimum, in Annex 1 for the reasons set out below:-

- a. National planning policy focuses on regeneration of brownfield sites for high density mixed use development. Significant emphasis is placed upon creating sustainable communities with easy access to places of work, shops and facilities.
- b. Further, national guidance advises regional authorities to be positive, proactive and flexible in setting policies for their network and hierarchy of centres. Identified deficiencies should be addressed by either promoting existing centres to function at a higher level or through the designation of new centres.
- c. It is the very nature of OAs that they are areas of planned substantial land use change and high density mixed use development, at a scale which can involve the development of new centres, as referred to in suggested amendment 2.53 of the draft RLP.
- d. ECRA has been identified in the draft RLP as forming the majority of the ECWKOAs, with its planned mixed use regeneration and growth. Annex 1 identifies the ECWKOAs as a significant high density regeneration opportunity with potential for various mixed uses, including town centre uses.
- e. ECRA has the potential to provide a hub for the ECWKOAs, focusing on key town centre uses such as retail, leisure, employment space and social and community uses, along with a significant element of residential. The site can incorporate hotels, leisure, restaurants/bars and various community facilities. When these town centre uses are factored in with the proposed residential, office and retail offer it creates a genuine mixed-use place with the potential for a large number of linked trips.
- f. ECWKOAs will deliver a significant number of new homes and jobs. This will generate expenditure that would be sufficient to support town centre uses within the ECWKOAs.
- g. The ECWKOAs can deliver a vibrant place in line with the draft RLP aspirations for the ECWKOAs and in accordance with what one would expect of an area designated as a District Centre.
- h. The designation of the ECWKOAs as a District Centre, as a minimum, would be consistent with policy advice in PPS4, for the following reasons.
 - There would be a need for the town centre uses of retail and leisure. The technical analysis carried out by DP9 demonstrates that redevelopment of the ECWKOAs is likely to be of a scale that will lead to sufficient indigenous generated expenditure to justify the provision of floorspace at

a minimum, of a level which would be consistent with District Centre designation as defined in the draft RLP.

- The provision of these uses within the ECWKO, close to the new residential and office development that they would be intended primarily to serve, would allow that need to be satisfied in a highly sustainable and accessible location as part of a broader mix of uses, consistent with the underlying objective of the sequential approach.
- A scheme with the characteristics of District Centre at ECWKO would have no material adverse impact on the vitality and viability of neighbouring centres.

1.22 The main purpose of both the retail and leisure uses will be to serve the significant number of new residents and office workers that will be generated by the proposals. Analysis by DP9 indicates that the likely development scenarios for the ECWKO generate a retail (use classes A1-A5) floorspace capacity ranging from 15,836 – 66,699 sqm (gross). In addition, there is a clear and defined need for the likely quantum of leisure proposed, particularly bearing in mind the existing use of the site.

1.23 Therefore, we conclude that a District Centre will have a limited effect on existing nearby centres. Indeed, it is likely that the other centres will benefit from the significant additional expenditure generated by ECWKO, as it is not realistic to assert that all of the money generated will be spent at the site.

1.24 Nonetheless, DP9 have calculated the worse case scenario, where only approximately 50% of the comparison goods floorspace proposed in the highest development scenario is met by ECWKO generated expenditure. A benchmark impact assessment has been carried out to analyse the likely levels of trade diversion from nearby centres.

1.25 As set out in the C&C's Retail and Leisure Assessment, the ECWKO proposals are likely to have a less than 2.5% impact on any individual centre, a more than acceptable level of trade diversion that is unlikely to have a detrimental effect on the individual centres vitality and viability.

1.26 The analysis set out in C&C's Retail and Leisure Assessment is reinforced by borough wide retail and leisure studies undertaken on behalf of LBHF and RBKC, both of which demonstrate that there is capacity to support substantial retail and leisure development in RBKC/LBHF in the period between now and 2026.

1.27 **Accordingly, we request that Table A2.2 of Annex 2 to the draft RLP be amended to incorporate a reference to the ECWKO having the potential to accommodate a new District Centre. We also request that this is reflected in Annex 1 Ref.8 of the RLP in relation to the Strategic Policy Direction for the ECWKO. It should be made clear that the ECWKO has the potential to**

realise a new District Centre, as a minimum, based on the evidence contained in C&C's Retail and Leisure Assessment.