

5<sup>th</sup> November 2009

Our Ref: P-07-289/ RB Kensington & Chelsea

Ms P Tollitt

The Executive Director of Planning & Borough Development

The Royal Borough of Kensington & Chelsea

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**FAO: The Policy Team**

Dear Ms Tollitt

## **PLANNING & COMPULSORY PURCHASE ACT 2004**

### **Local Development Framework for Kensington & Chelsea - Proposed Submission Core Strategy – Public Consultation**

#### **1. Introduction**

We act as planning consultants for Barclays Bank plc (“The Bank”) in respect of the emerging LDF for Kensington & Chelsea.

The Bank is already a major stakeholder within the Borough, with a number of branches within the Council’s area, such as Kensington High Street, Notting Hill Gate, Brompton Road, Earl’s Court and Sloane Square. Other than the committed ‘flagship’ branch on Kensington High Street (which opens soon), there are no firm proposals as yet, but it is likely that the Bank’s representation within some of these centres will need to evolve over the life of the emerging LDF.

In view of the likely requirement for improved provision of banking services the Bank would like to continue to contribute to the emerging plan process so that its views are heard and policy will take its future business needs into account. On behalf of the Bank we have already submitted representations upon previous consultation drafts of LDF documentation including the “*Core Strategy and North Kensington Plan – Towards Preferred Options*” on the 30<sup>th</sup> September 2008, upon “*Places*” & “*Strategic Sites*” on the 3<sup>rd</sup> June 2009 and finally “*Draft Core Strategy with a particular focus on North Kensington*” on the 30<sup>th</sup> July 2009. Within those earlier representations we drew attention to the key role played by financial services retailers generally and the Bank in particular within the Borough’s various shopping centres. The comments made in the Bank’s previous representations still stand, especially relating to the need to allow the provision of financial services to improve and evolve alongside other improvements to shopping provision.

Whilst on occasions the Council clearly recognises the value of, and essential role played by, banks and other financial services operators within shopping centres (see for instance the recent grant of planning permission for Barclays at Kensington High Street, as well as the encouragement of additional banking facilities in the North and South of the Borough at paragraphs 7.3.15 & 15.5.3), there remain many elements within the draft plan that demonstrate a failure in some parts of the Council to understand how banks operate in the wider retail market.

## **2. Points Arising from the Consultation Documents**

As the Bank also pointed out in its representations regarding the pre-submission draft, the current document remains overly long and does not provide a ready source of information for applicants to use when appraising what will be relevant to a development control decision. Attention is drawn to the Government policy in PPS12, specifically concerning Core Strategies, where it is stated at paragraph 4.1 that the document should focus *“on the key issues to be addressed”*. Paragraph 4.5 of PPS12 continues *“it is essential that the core strategy makes clear spatial choices about where development should go in broad terms.....it also means that decisions on planning applications can be given a clear steer immediately”*. It is highly questionable that a document which amounts to 457 pages (an additional 106 pages to the pre-submission draft) would conform to this advice. The Core Strategy should be succinct and sharply focussed upon delivery and necessary infrastructure relating to the Borough itself, but the strategic elements of the draft plan are mostly dealt with in a superficial manner, whereas the rest of the draft plan has a tendency to become overly concerned with minor detail that would be best dealt with under area specific documents. It must also be remembered that the London-wide level is already covered by the Mayor’s Spatial Development Strategy (“The London Plan”) a lengthy document in itself and so much of the strategic work has been done and does not need to be repeated.

The ‘Strategic Objectives’ for the Core Strategy are set out on page 11 and the Bank firmly believes that improving the provision of financial services in shopping areas that are fully accessible to the public accords particularly with the Objectives of *“Keeping Life Local”*, *“Fostering Vitality”*, *“Better Travel Choices”* and *“Renewing the Legacy”*. In this regard the Bank notes the broad direction of policies such as *“CF1 Location of New Shop Uses”* *“CF2 Retail Development within Town Centres”* and *“CF3 Diversity of uses within Town Centre”* in seeking to protect existing centres and direct new trip generating development towards existing centres as being the most sustainable locations. This should also help in minimising car use and thereby help to combat climate change. The creation of the Barclays’ ‘flagship’ branch upon Kensington High Street and the associated £3m investment into this conservation area location meets with all these strategic objectives and can be seen as meeting the Council’s ambition (mentioned at paragraph 11.3.2) to work with stakeholders to help this centre build upon its strengths, by attracting and underpinning footfall at time when it faces the potential of heavy competition from the Westfield Centre. It is noted that substantial qualitative and quantitative improvements are proposed for the Council’s main central areas over the plan period and the Bank would point out that other supporting services should also be part of any increase in central area shopping floorspace. Improvements to shopping provision should be matched by commensurate improvements to financial services provision and the Bank recommends that the definition of *‘retail’* and *‘town centre uses’* in the draft plan’s glossary be widened to include the financial services sector expressly.

The Bank also notes the overall support given to promoting a mix of uses in the Borough's centres as the best means of protecting and enhancing their vitality and viability (see for instance Policy CF1). Part A of the Use Classes Order (UCO) contains the *"shopping area uses"* which should be acceptable without any need for restriction or qualification. This is particularly the case for the financial services sector. According to paragraph 38 of Circular 03/2005 (*"Changes of Use of Buildings And Land"* which accompanied the last major revisions to the UCO) this sector is *"very much a part of the established shopping street scene, and which is expanding and diversifying....[being] ...uses which the public now expects to find in shopping areas"*. The wider role played by town centres than a pure shopping function is also recognised throughout PPS6. There should be scope for improving the provision of all shopping area activities within all of the Borough's existing centres to ensure those centres remain vital and viable and provide the services needed by residents, businesses and visitors. Class A2 retailers such as the Bank routinely experience very high levels of customer visitation, contributing significantly towards pedestrian movement and therefore the vitality and viability of town centres. The Bank has undertaken many footfall surveys in connection with its current acquisitions programme at its branches in various towns and cities in the UK. These conclusively show that the level of footfall associated with bank branches is commensurate with, and often higher than, the best known national multiple Class A1 traders. Banks have also moved away from the traditional style of frontage for their premises, preferring to have an open, visually interesting and attractive face to the 'high street'. The Bank has become increasingly retail in its presentation and has recently introduced an innovative branch design, which has been developed in association with its customers, to transform banking into what it terms as *"a retail focused experience"*. The Bank estimates that some 10 million customers use its branches each week and through listening to their feedback, a design has been developed that meets their requirements for modern banking and provides branches similar in appearance and operation to retail shops. An important focus has been to install technology to reduce queue times and waiting times for consultation, including new offerings such as Foreign ATMs, new queue call systems, and what is termed the 'Specialist Lounge', for the Bank's Premier customers. Whilst the design of every new branch has to be flexible in order to be sensitive to the requirements of each building occupied, the aim is generally to ensure that some 80% of the internal space at ground floor is accessible to customers.

Notwithstanding the generally positive approach set out in the initial part of draft Policy CF3 towards the promotion of a mix of uses in the Borough's centres, a closer examination of the later elements of the policy shows that restrictive policies relating to non-shop uses in the defined shopping frontages are to be introduced in the LDF. An arbitrary 20% ceiling for non-shop use is set for any primary frontage in the Borough's main centres regardless of use class of the proposal (i.e. whether the use is a 'shopping area use' within Part A of the Use Classes Order), or whether this threshold is already attained (or even surpassed) in these frontages. The origin of this threshold is not explained anywhere in the draft plan and we would also question the practicality of operating the policy for development control purposes, as there is no explanation as to how the policy will operate in practice. For instance it is unclear whether frontage gaps are included in the overall derivation of frontage length and precisely where each relevant frontage starts and finishes (are the return frontages to be included, and if so by how much). Such detailed considerations will affect the outcome of the calculation, particularly when the opportunities for non-A1 occupiers are so restricted. Because of the level of uncertainty we have strong objections to the use of thresholds.

The opportunities for many necessary town centre operators to improve the quality of their representation are further proscribed by the proposed prohibition upon the siting of a non-shop use in a primary frontage when there is one there already. This would immediately preclude any successful occupier from extending an existing operation into an adjacent unit, even if such an expansion would promote visitation, strengthen pedestrian flows and thereby enhance overall town centre vitality and viability.

On the matter of policy formulation PPS12 (June 2008) is clear that all DPDs must be:

- *“founded on a robust and credible evidence base; and*
- *the most appropriate strategy when considered against the reasonable alternatives”* (paragraph 4.36 of PPS12).

Despite the intention to operate outdated restrictive policies relating to defined shopping frontages in the LDF, none of the proposed primary frontages are set out in the consultation document being submitted to the Secretary of State. The plan merely states, at paragraph 31.3.23, that the primary and secondary retail frontages will *“equate to the core and non-core frontages, respectively, of the Borough's Principal Shopping Centres as set out within the Council's UDP (2002)”*. That paragraph then continues *“These will be reviewed”*. However, the plan does not elaborate as to when this review is to take place and also what method of assessment is to be used. Proper assessment should be an essential part of the evidence gathering process. PPS6 is very clear, at paragraph 2.17, when it says that local planning authorities *“may”* (it is not obligatory) define frontages in their central areas, but these assessments must be *“realistic”*. The work done by Nathaniel Lichfield & Partners (NLP) in the 2008 Retail & Leisure Needs Study would not be a sufficient evidence base as this detailed exercise did not form part of the brief. As the Bank has repeatedly pointed out in its previous representations, the matter does not seem to have been examined with any degree of rigour for many years and until the frontages have been properly assessed the Council is in no position to set any threshold limits. Similarly unsupported by any evidence are the comments that the draft plan makes at paragraph 15.1.4 that the two elements of King's Road *“function as one”* and that certain non-shop uses (including some within Class A2) are *“over-subscribed”* in Notting Hill Gate (paragraph 16.3.3). Neither statement is supported by the 2008 Retail & Leisure Study, which examined the whole Borough. The Study dealt with the two King's Road centres separately as, although they are physically proximate, they perform entirely different roles in the shopping hierarchy. Thus, even should the need for a new bank be satisfied on the western part of King's Road (see Core Strategy paragraphs 15.3.13 & 15.5.3), this would not affect the need for improved banking services along the eastern sector. In the discussion of the services represented in Notting Hill Gate, the 2008 NLP retail study found that there is a below average provision of banks and financial services (see Table 10.3), but in any event if such uses were *“over-subscribed”* as the Council asserts then presumably the Core Strategy should be planning to increase supply. Without any evidence to support the policy stance, or discussion of the reasonable alternatives (previous drafts of this LDF document were similarly opaque regarding their approach to frontage definition) the document must fail the ‘tests of soundness’ at the public examination.

Mention is made in the draft of the possible future policy protection to be given to public houses that serve a “*social and community*” role (Core Strategy, paragraph 30.3.6). This is not something that can be controlled through development plan policy. In planning terms one Class A4 use can only be treated like any other and (as is acknowledged at paragraph 30.3.7 in the case of protecting post offices and pharmacies) there are permitted development rights to change from drinking establishments to any use in Classes A1, A2 or A3.

As noted above a number of policies do not need to be within a LDF document at all as they are already more than adequately covered by existing national or regional policy. Further examples would be CL3 “*Historic Environment*” & CL4 “*Historic Assets*” which amongst a number of anodyne platitudes also pledge to:

- “*require development to preserve and to take opportunities to enhance the character or appearance of conservation areas, historic places, spaces and townscapes, and their settings*” (Policy CL3);
- “*require development to preserve or enhance the special architectural or historic interest of listed buildings and scheduled ancient monuments and their settings, and the conservation and protection of sites of archaeological interest*”(Policy CL4); or
- *require the preservation of the original architectural features, and later features of interest, both internal and external;*(Policy CL4c).

As the draft plan itself points out (at paragraph 34.3.31) these are all requirements of statute anyway and do not need to be repeated in a Core Strategy. In connection with criterion (e) of Policy CL4, as the Bank pointed out before) there may be occasions when a change of use of a listed building is the best means of ensuring its preservation and as a result some alterations and changes to its fabric must be accepted. Helpful advice upon all these matters is already contained in PPG15 (see for instance paragraphs 2.18 and 3.8 to 3.13, which advise that very often a new use is the ‘key’ to ensuring an historic building’s survival).

### **3. Closing Comments**

The opportunity provided by the preparation of the main elements of the LDF should be taken to reappraise out of date policies and give greater encouragement to ‘appropriate’ Part A uses to invest and improve the quality of their representation. In the light of how financial services provision has evolved in recent years, the Bank believes that there is no good planning reason to restrict the presence of Class A2 uses at ground floor level in any shopping frontages and that the Council should recognise the important contribution of financial services such as banks in both bringing investment and acting as attractors for investment by others, in the wording and application of policies in all the relevant LDF documents. Pursuing restrictive policies to keep significant generators of footfall out of central areas will actively work against the achievement of the Core Strategy’s strategic objectives and is inconsistent with national policy. In fact there is nothing in Government policy that recommends or supports imposing arbitrary thresholds upon acceptable town centre uses at all. The continuation of the historic primary frontage policy is unjustified by any robust and credible evidence and the Council has provided no explanation for the decisions it has taken about the most appropriate strategy to follow when considered against the reasonable alternatives.

To succeed a strategy should set clear goals which should be both measurable and attainable. Thus, the evidence gathering process is essential to being able to produce a strategy, rather than a set of aspirations. In the Bank's many previous representations upon the Borough's emerging LDF it has repeatedly drawn attention to the many failings of the documents and explained that to be 'sound', the LDF must be consistent with national policy. It was recommended that the Council address these deficiencies as a matter of urgency, but the Council's documents show no indication that it has gone through an objective process and audit trail of assessing alternatives, or indeed that alternatives have even been considered at all. The experience of other authorities which have been advised by the Government Office/Inspectors to withdraw LDF documents prior to the examination taking place, is that documents such as the subject one are unlikely to be judged as being 'sound', without further rigorous evaluation of evidence and analysis of the selection of viable options. The helpful comments we have made have again been ignored and the Bank again strongly recommends that the Council rethinks its position before moving to final submission of the current document to avoid wasting resources in arranging a public examination into LDF document that is likely to fail.

In view of the Bank's likely requirement for improved provision of banking services in the Royal Borough during the life of the LDF it would like to confirm its continued interest in LDF process and in that regard we would be grateful if the Council would continue to notify us of the progress of the submitted document as well as upon any other emerging LDDs.

Yours sincerely



**Michael Fearn of Shireconsulting**  
**On behalf of BARCLAYS BANK PLC**