

REF: WT/JD/AC/R00369

BY EMAIL ONLY: programmeofficer@carmeledwards.com

09 October 2020

Dear Sir / Madam,

**DRAFT REVISED LAMBETH LOCAL PLAN
ROK PLANNING ON BEHALF OF WATERLOO HUB HOTEL LIMITED (R049)
HEARING STATEMENT IN RESPONSE TO MAIN MATTER 4.8 RAISED BY THE INSPECTOR IN
DOCUMENT INS03b AHEAD OF DRAFT REVISED LAMBETH LOCAL PLAN EXAMINATION IN
PUBLIC (EIP)**

I write on behalf of our client, Waterloo Hub Hotel Limited ('WHHL'), to submit a Hearing Statement in respect of their comments to the Draft Revised Lambeth Local Plan Document.

It addresses Main Matter 4.8 raised by the Inspector in document INS03b with the hearing sessions opening on Tuesday 27 October 2020.

Executive Summary

The position of Waterloo Hub Hotel Limited ('WHHL') can be summarised in the following propositions:

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1. WHHL strongly object to proposals to totally restrict delivery of new build additional hotel accommodation, particularly and including on existing hotel sites in the Waterloo Central Activities Zone.
2. The blanket approach to preventing any additional new build serviced accommodation in the Waterloo CAZ needs to be softened, if not removed entirely.
3. At the very least, the policy wording should be amended to ensure that it plainly sets out that additional serviced accommodation can be delivered on existing hotel sites via extensions and/or redevelopment of land within hotel sites via demolition and/or new build, providing that the residential amenity of occupants of neighbouring housing isn't harmed.
4. Hotel and aparthotel use should be encouraged across the Central Activities Zone as existing, given ongoing demand and the employment generating and general economic benefits that hotel uses bring.

5. The leading role of the CAZ is its function as a strategic commercial area. Therefore, commercial and employment generating uses including hotels should be acceptable in principle, which is the current approach with the London Plan CAZ policy.
6. Lambeth rely heavily on the strength of pipeline delivery in order to justify total restriction of new hotels in Waterloo CAZ, however not all will be implemented especially in this current economic climate.
7. Lambeth have not interpreted the role of air bnb and such forms of accommodation correctly. This should not be considered a supplementary source of accommodation. This form of accommodation is non-serviced and unregulated and is representative of a lack of good quality hotel accommodation being available in the area. It also has negative impacts on the housing market.
8. Waterloo is home to one of the largest rail networks and is a prime location for new hotels where there is sustained demand for hotel accommodation from tourists visiting London.
9. Hotels can form part of mixed use developments and enable delivery of new homes and commercial floorspace.
10. Lambeth is under delivering hotels compared to other adjoining London Boroughs.

Introduction

This statement is set out as a response to the Inspector's Matters and Issues for Discussion as set out in the Programme for Hearing Sessions dated 30 September 2020 and builds upon the representation made by our client sent in respect of the Regulation 19 pre-submission document dated 13 March 2020 and appended to this document – see **Appendix 1**. The statement focuses specifically upon the Inspectors' questions in relation to Policy ED14 'Hotels and Other Visitor Accommodation'.

As per our written confirmation on 29 September 2020 to Carmel Edwards (Programme Officer), ROK Planning will be representing WHHL with reference to emerging policy ED14, at this hearing session.

It is strongly recommended that Policy ED14 is reconsidered to take account of the above considerations. WHHL provide their more detailed thoughts below for the Inspector to consider in line with Main Matter 4.8 'Hotels and Other Visitor Accommodation', and particularly to ignore the emerging policy and allow continued hotel delivery within the Waterloo CAZ.

WHHL ask that the Inspector consider the suggested changes to the policy set out in their Regulation 19 representations which are provided in Appendix 1 and have not been incorporated in any modified version of the policy by the Council.

The hearing statement is structured as per the below covering the following matters: -

1. Main Matter 4.8 'Hotels and Other Visitor Accommodation' – Policy ED14 – ROK Planning Policy Responses.
2. Main Matter 4.8 'Hotels and Other Visitor Accommodation' – Hotel Market Commentary, Colliers International – March & October 2020.
3. Main Matter 4.8 'Hotels and Other Visitor Accommodation' – Wider London Boroughs & Approach to hotel development.
4. Concluding thoughts.

As part of this submission WHHL append further supporting information from Colliers International which provides an updated assessment (October 2020) of the Hotel market in Lambeth – please refer to **Appendix 2** of this statement.

1. Main Matter 4.8 'Hotels and Other Visitor Accommodation' – Policy ED14 – ROK Planning Policy Responses

This section deals with relevant questions (i) and (iii) as set out by the Inspector in document INS03b regarding Policy ED14 – Hotels and Other Visitor Accommodation.

Question (i) – Is the total restriction on new additional new build visitor accommodation in the Waterloo CAZ justified?

In short, WHHL consider the total restriction on new additional new build visitor accommodation in the Waterloo CAZ **to not be justified**, in any circumstance. It is not consistent with the principles of the NPPF and is not in conformity with the overall strategic objectives of the London Plan for its CAZ area (adopted and emerging).

As noted, it is fully acknowledged that hotels provide an important source of employment and economic growth in the borough and likewise a key component of the WHHL business operations. However, the blanket approach of draft Policy ED14 of hotel delivery in the Waterloo CAZ does not provide any flexibility for the best use of sites in the area to be introduced and delivered. This may refer to new sites, or particularly existing sites in hotel use where the best use is to remain in hotel use due to established amenity and highways conditions.

There is no strict requirement, as required by the National Planning Policy Framework or the Draft New London Plan for Policy ED14 to limit the continued development of hotels in the borough, and CAZ especially. The draft Local Plan is addressing its employment land and housing provision/ requirements

via other policies in the plan e.g. draft Policy H1 and ED1, ED3 there is no need for this to impinge upon or prohibit the development of hotels uses which are confirmed as a viable and complementary use to the overall function of the CAZ and within the CAZ boundary alongside other uses.

In their reasoning for restricting delivery of hotels in Waterloo CAZ, Lambeth focus in on the relevant supporting paragraphs to Draft London Plan policy E10 stating at para 2.5 of the Hotels topic paper (5),

“that concentrations of serviced accommodation within parts of the CAZ that might constrain other important strategic activities and land uses or erode the mixed-use character of an area should be avoided. It encourages boroughs in outer and inner London beyond the CAZ to plan proactively for new serviced accommodation in town centres to help spread the benefits of tourism”.

The Council therefore consider the blanket ban to be justified based on geographical distribution, record of delivery and development pipeline.

WHHL would respectfully ask the Inspector to challenge this and dutifully consider the validity and strength of the figures provided within the *Hotels topic paper (5)* when considering the following: -

1. There is no mandatory target for delivery of hotels London wide. Lambeth is home to one of the largest network hubs (Waterloo) which sustains hotel demand. As such WHHL, and Colliers as per their October 2020 report consider there to be an undersupply of hotels. Lambeth should be contributing more in comparison to other nearby adjoining boroughs.
2. Unfortunately, and as experienced first hand by WHHL, hotels and the hospitality sector is in a perilous position due to the current and ongoing global pandemic which has caused significant shifts in societal norms, demand metrics and imposed restrictions by way of lockdown. This has forcefully impacted the operations of many hotel businesses with many being unable to take in guests. As such WHHL finds Lambeth to place too much emphasis on pipeline delivery which will be severely impacted by recent economic circumstances. Lambeth's Hotels and Visitor Accommodation Study (2018/19) states that there are 1,354 serviced rooms in the planning pipeline - the majority of these (77%) are unimplemented. It is further emphasised that it is likely, resulting from the recent pandemic, that not all these permissions will come forward and therefore the case for hotel need remains.
3. In paras 3.20 – 3.24 the Council incorrectly point to a 'very strong supplementary supply of non-serviced visitor accommodation in Lambeth' and consider this has the potential to help meet the demand for additional visitor accommodation by the GLA. Figures provided by Lambeth suggest *that Inside Airbnb* recorded 4,603 listings in Lambeth in December 2019, with 51 per cent of the listings being for entire homes or apartments. Unfortunately, there is no recognition from Lambeth of the surge of Air BnB being representative of a complete market failure as tourists are driven

into non-serviced and unregulated accommodation due to lack of better alternatives. This points instead to an undersupply of hotel accommodation. It should be noted the presence of air bnb is contributing to take up of buildings and properties that could be used for permanent residential, hence the difficulties posed in delivering new homes in this central area. Please refer to the Colliers report for greater explanation of this.

4. Hotel developments can form and be part of mixed-use developments which can include workspace, community facilities, arts and culture, retail food and drink and be delivered alongside residential. This contradicts the Council's statement at para 4.17 of its topic paper, with no evidence to substantiate this claim. There are other forms of non-serviced accommodation preventing the delivery of new homes rather than the hotel sector itself, as above.
5. The Council's assertions that preventing the intensification of hotels and therefore a further increase in visitor numbers in Waterloo seems to be a flawed one. Attracting visitors to CAZ locations is a flagship requirement of the London Plan. Visitors staying at hotels are further integral to bringing in net spend to local businesses who similarly will be struggling during this pandemic.

As such the policy basis captured at part (c) of the pre-submission version of the Draft Lambeth Plan is too prescriptive, and at the very least each site should be judged on its own merits and therefore query the rationale and evidence base around this policy which seems unsubstantiated bar an overview of pipeline delivery. Whilst WHHL understand that the provision of more hotels in Waterloo may increase the amount of hotel accommodation in this part of the Borough, this will not result in tangible harm to the balance of mix of uses in this part of the Borough.

Given the surrounding uses, including tourist destinations, restaurants, pubs and other businesses, as well as the busy character of the adjacent Lambeth Road, continued growth in the hotel sector would not harm the prevailing character but instead help to support the character of the area.

From a development perspective, the policy as drafted has the potential for sterilising key existing sites (identified in the Council's own topic paper). It should come as no surprise to the Council that existing hotel sites cannot easily be used for alternative uses due to prescriptive amenity and highways issues. These form windfall sites which should be optimised for further and commensurate development whether through extensions, additions or redevelopment providing for an increased quantum of hotel bedrooms.

Imposing a blanket ban on delivery of new additional new build this does not allow sufficient flexibility in order for existing sites particularly to upgrade, including through additions and refurbishment, which may be necessary in order to meet changing standards and demands of occupiers (health, societal and hygienic requirements) or in order to fill a demand gap in the market for a certain type of accommodation. Existing hotel should be allowed to redevelop either by demolition rebuild or refurbishment and addition.

At a local level, Lambeth's topic paper (5) (May 2020) points forcibly to 'negative' local opinion

concerning hotel delivery in the Waterloo area. Notwithstanding, the South Bank & Waterloo Neighbourhood Plan 2017-2032, as adopted by both Lambeth and Southwark Council, sets out a general acceptance to hotel delivery and rather seeks to capture the available benefits that can be generated from hotel developments. A total restriction of hotel development in the area is not consistent with this approach and will prevent various and significant public benefits from new build and development of existing hotel sites from being realised.

Whilst WHHL does not feel it necessary to go into the clear economic and commercial impacts, it is obvious that the blanket ban introduces an inappropriate barrier to the market and would constrain growth in the hotel sector. This is particularly pertinent considering the current financial pressures faced by the services and hospitality sector during the global pandemic, after which sharp and measurable recovery will be necessary. It is not a stretch to suppose that there is and will continue to be a need for tourism in order to inject growth in the economy and hotels are at the forefront of servicing this industry and should be supported accordingly. We provide further explanation on the hotel need argument below and substantiated by research undertaken by Colliers International (October 2020).

As the above demonstrates, a blanket ban on the delivery of hotels in the Waterloo Caz does not allow sufficient flexibility for market change, change in economic circumstance or societal demand. In regard to this lack of flexibility and being sound, paragraph 11 of the NPPF sets out the core themes to ensure that the Framework delivers a presumption in favour of sustainable development and is clear that “Plans and decisions should apply a presumption in favour of sustainable development” and “For plan- making this means that: a) ***plans should positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change*** (our emphasis)”.

Paragraph 80 of the NPPF defines that “Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt” with paragraph 81 (Part D) expanding that planning policies should “*be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances* (our emphasis)”.

In summing up WHHL’s response to Main Matter 4.8 of the Inspector’s MIQs it is considered that the policy as drafted is not consistent with national planning policy and is unsound. The policy as worded does not allow for any flexibility to respond to change, particularly in regard to the need to enable a rapid response to changes in economic circumstances or wider societal issues.

Further to this the policy is prepared without the depth and understanding of all the site specific and largely varied circumstances of hotel sites in the borough including those in the Waterloo CAZ, indicating that the plan has not been positively prepared, justified, nor consistent with national policy which is of course tasked in enabling the delivery of sustainable development in accordance with the policies in the NPPF.

Question (iii) – Is the proposal not to permit additional visitor accommodation outside town centres justified?

As above, WHHL **does not find** Lambeth's strategy to not permit additional visitor accommodation outside town centres **to be justified**.

It should be noted that WHHL does not object to the delivery of hotels within Town Centres. Hotel developments are suitable for these areas and can contribute positively to the vitality and viability of these centres.

Notwithstanding, in preventing the delivery of hotels outside of town centres this does not respond appropriately or flexibly to the positive contribution hotels can make in other areas. It is well established that hotels are suitable in proximity to airports, strategic and other local attractions as well as significant transport hubs. Not all of these are in town centres.

Simply there is no evidence to substantiate this policy objective. The sequential test is established under the NPPF and this is seemingly ignored by the emerging policy. This sufficiently allows the Council to establish the acceptability of hotels in out of centre locations if the sequential test is applied and sequentially more suitable sites are not identified within town centre or edge of centre locations.

WHHL note that Policy ED7d (Town Centres) sufficiently captures this requirement (which includes visitor accommodation such as hotels as a 'main town centre use'). In such circumstances, this deals sufficiently in preventing any unacceptable hotel development not within Town Centre locations and should not result in total restriction of hotels in these areas.

The Council seem to acknowledge this within their topic paper (5) (May 2020) stating at para 2.3 that: -

"The glossary of the NPPF includes hotels within the definition of 'main town centre use'. Paragraph 86 of the NPPF states local planning authorities should apply a sequential test to planning applications for main town centres uses which are neither in an existing centre nor in accordance with an up-to date plan. Main town centre uses should be located in town centres, then in edge of centre locations; and only if suitable sites are not available (or expected to become available within a reasonable period) should out of centre sites be considered".

Considering the above, WHHL consider there to be sufficient mechanisms in place in order for the Council to test the acceptability and suitability of new hotels in out of centre locations without the need for placing any further restrictions, and unfairly so, through adopted policy.

2. Main Matter 4.8 'Hotels and Other Visitor Accommodation' – Hotel Market Commentary, Colliers International – March & October 2020

WHHL have obtained further evidence as to the hotel sector within Lambeth (and London generally) from Colliers International (October 2020), which builds on their original Hotel Development Planning Report which was submitted alongside the regulation 19 representations in March 2020.

At the time of writing in March 2020, Colliers International were clear that demand for hotels was on an upward trajectory and that in general, London and Lambeth had a serious shortage of good quality and reasonable priced hotel accommodation. Preventing the development of new hotels in certain locations that remain sustainable and are wholly acceptable for such development was seen to further exacerbate this situation – especially within the CAZ area identified including driving up room prices in the existing hotels, also impacted by an unregulated sector accommodation (air bnb).

At the very least the Council should be encouraging more dense development of the existing sites to encourage additional rooms development on already designated sites.

In light of the recent global pandemic and the perilous impacts this has had on the hospitality and service sector, Colliers have revisited and updated their report. The key points are covered briefly below: -

1. Interpretation of the New Draft London Plan hotel figures are incorrect and should be a measure of the gross requirement not net requirement.
2. Waterloo is one of the busiest transport hubs in London and hotel demand will always be sustained in areas close to the station. The Waterloo CAZ remains high for occupancy.
3. Air bnb is an unregulated sector and is representative of failures in the hotel sector and availability of serviced accommodation. Air bnb further reduces access to new homes and permanent residential uses.
4. At the very least the council should be encouraging more dense development of the existing sites to encourage additional rooms development on already designated sites.

As per the findings of Colliers, London in general and Lambeth has a serious shortage of good quality and reasonably priced hotel accommodation. This has fuelled a burgeoning un-regulated sector that is impacting the living quality of residents and has created an un-level playing field for hotels who pay their taxes and abide by stringent fire, life safety standards.

Preventing the development of new hotels will further exacerbate this situation – especially within the CAZ area identified.

3. Main Matter 4.8 ‘Hotels and Other Visitor Accommodation’ – Wider London Boroughs & Approach to hotel development

WHHL acknowledge the efforts that have been made and the fact that Lambeth's share of new accommodation is increasing is a positive – but it is considered this is representative of a very small share of existing and pipeline accommodation that the borough provides for such a centrally located borough, compared to other adjoining London Boroughs who also have CAZ areas. This is even more pertinent in that Lambeth contains one of the nation's busiest rail terminals and some of London's most major attractions.

As established by Colliers in their updated research, Lambeth is behind nearby and adjoining boroughs in terms of contributing to the overall delivery of hotels in London and in line with London Plan expectations.

In light of this we have considered the policy basis for new hotel delivery in CAZ in these adjoining boroughs. Simply, they do not provide for wholly prescriptive policies preventing hotel delivery in this area.

All of the appended policies retain an element of future flexibility for uses dependent on their compliance with wider development plan policies to take account of the location and siting of hotels, rather than applying a blanket approach for the prohibition of hotel redevelopment and extension such as the Draft Revised Lambeth Local Plan. To this extent the Draft Revised Lambeth Local Plan has not been prepared to take account of the tests of soundness set out in paragraph 35 of the National Planning Policy Framework (2019).

1. Camden's policy regarding hotels does not including prohibiting hotel delivery in CAZ. The borough expects visitor accommodation to be in Central London, particularly growth areas of Kings Cross, Tottenham Court Road and Holborn. In places where CAZ has industrial, the Council seeks to retain industry and warehouse use.
2. RBKC's policy regarding hotels, supports delivery in CAZ, supported particularly in 'higher order' centres such as town and district centres with excellent transports links to the rest of the capital.
3. Southwark policy regarding hotels does not provide total restriction of new hotels in the CAZ area.
4. In Westminster, new build, and addition to existing hotels in CAZ are supported.
5. In Wandsworth, new build, and addition to existing hotels in CAZ are supported.

As the above demonstrates, there are far more sustainable approaches that can be incorporated to regulate the delivery of hotels, particularly in the CAZ area.

4. Concluding thoughts

Overall and as set out above and in past representations, draft Policy ED14 does not contribute to the long-term sustainability and vitality of the hotel sector. It does not provide the flexibility for introducing added value to existing hotel sites (particularly in the scenario of a change of economic circumstances over the plan period), and will stifle and restrict the development of hotels in the Waterloo CAZ.

Overall and as predicated in previous representations we remain of the view that the policy as drafted will not allow sufficient flexibility for hotel development, nor are the requirements of the policy sound. Policy ED14 as currently proposed: -

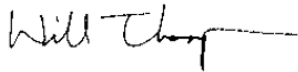
1. Improperly restricts the development of hotels in the borough when there is no London wide set target.
2. Unnecessarily applies a blanket ban on hotel development within Central Activities Zone ('CAZ') boundary where hotels are confirmed as a complementary and suitable use.
3. Would prohibit and stifle the best use and intensification of existing hotel sites in Waterloo CAZ, such as through extensions and redevelopment.
4. Is not based on the depth and understanding of all the site-specific circumstances of hotel sites in the borough.
5. Is not sufficiently flexible to absorb or be reactive to any market downturn or changes in economic circumstance and should be amended.
6. Does not consider the benefits associated with hotel development which can be captured by local communities.

The policy has not been positively prepared and is not consistent with the key economic thrusts of the NPPF. Due regard has not been given to all the varied site-specific circumstances of the hotel sites in the Waterloo CAZ and outside town centres to enable an appropriate policy to be drafted.

WHHL therefore respectfully ask the Inspector that the policy is redrafted and amended to capture all comments submitted as part of WHHL previous Regulation 19 representations as part of the Local Plan. To avoid unnecessary duplication, WHHL would draw the Inspector's attention to the reg 19 representation in Appendix 1 of this statement.

We trust this Hearing Statement will be considered for the Examination in Public. If you should have any questions in the meantime please do not hesitate to contact Jamie Dempster on 07889558632 or (jamie.dempster@rokplanning.co.uk), or myself at this office.

Yours sincerely,



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List of Appendices

Appendix 1 – WHHL Representations to the regulation 19 publication of the draft revised Lambeth Local Plan dated 13 March 2020. Note this includes the original Hotel Development Planning report prepared by Colliers International dated March 2020.

Appendix 2 – Hotel Development Planning Report (October 2020) prepared by Colliers International.