
Lambeth Local Plan Examination Hearing Statement

Matter 4 - Issues 4.1 & 4.8

Prepared by Barton Willmore LLP and Q&A Planning Ltd
on behalf of London Hotel Group
[R077]

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**BARTON
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Lambeth Local Plan Examination

Hearing Statement

Matter 4

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London Hotel Group

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APPENDIX 1: BACKGROUND CONTEXT

1.0 INTRODUCTION

- 1.1 Barton Willmore LLP and Q&A Planning Ltd [Ro77] act on behalf of the London Hotel Group (LHG), who own and operate small hotels across London. These hotels are operated in partnership with global brands, such as Ibis (AccorHotels Group) and Best Western. LHG have several property interests within the London Borough of Lambeth (LBL).
- 1.2 This Statement relates to Matters 4, draft Policy ED14 and Issues 4.1 and 4.8 of the Inspector's Main Issues and Questions. It follows previously submitted representations at the earlier consultation stages of the Draft Revised Local Plan. We note that the draft policy contained within the 'Submission Version of the Revised Draft Local Plan' (SVRDLP) has not been substantially changed. As such, the objections raised in the previous consultation still stand.
- 1.3 Barton Willmore LLP and Q&A Planning Ltd are working in partnership to prepare LHG's Hearing Statements. However, in terms of presenting LHG's case for Matter 4, Q&A Planning Ltd will take the lead when discussing the 'soundness' of draft Policy ED14.
- 1.4 Policy ED14 as worded will not allow the construction of any additional visitor accommodation¹ (Class C1) outside of the Waterloo CAZ boundary, the Vauxhall Opportunity Area and CAZ boundary, major and district town centres and in Vauxhall (outside of wholly or predominantly residential area). The policy specifically states that additional visitor accommodation outside of town centres will not be permitted.
- 1.5 LHG have previously concluded, and continues to conclude, that Policy ED14 is not:
 - a. Positively prepared on the basis it limits the development of small-scale extensions to small hotel accommodation located outside of town centres in the Borough and so will not positively help deliver strategic objectives, including building a strong and competitive economy;
 - b. Justified, specifically the part that states that any additional visitor accommodation outside of town centres will not be permitted because it is not supported by proportionate evidence;
 - c. Effective because it ignores strategic policy advice (namely the use

of the sequential test) in respect of hotel accommodation across London; and

- d. Consistent with the guidance set out in the NPPF and the London Plan (namely the use of the sequential test and the balance of uses test) and, therefore, does not help build a strong and competitive economy.

1.6 Therefore, for the reasons listed above, the Policy is not sound.

Background

1.7 To help the Inspector understand the context behind LHG's concerns in respect of Policy ED14, a background summary is provided at Appendix 1. LHG's concerns are twofold:

- a. That Policy ED14 could preclude small-scale extensions to its existing small hotels located outside of designated centres in Clapham, and;
- b. Policy ED14 as worded advances a 'town centre only' approach rather than a 'town centre first' that runs contrary to national policy, London Plan policy and the ITP Draft New London Plan policy.

Planning Policy Context

NPPF

1.8 Paragraphs 86 and 87 of the NPPF advice as follows:

'86. Local planning authorities should apply a sequential test to planning applications for main town centre 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.

87. When considering edge of centre and out of centre proposals, preference should be given to accessible sites which are well connected to the town centre. Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale, so that opportunities to utilise suitable town centre or edge of centre sites are fully explored.' [our emphasis]

¹ New small-scale hotels or small-scale hotel extensions – part d) of Policy ED14

- 1.9 Assuming a planning application is supported by a Sequential Test and evidence that demonstrates that a site is 'accessible' to a town centre, then the NPPF would support the principle of a small scale extension to an existing small hotel business that is located outside a town centre.

London Plan Policy

- 1.10 London Plan Policy 4.5(A)(c) uses the term 'smaller scale' in CAZ fringe locations, it also refers to all areas beyond the CAZ. As referenced in the footnote to policy 4.5(A)(c), the typical definition strategically important hotel capacity is 15,000 sqm outside Central London, with higher figures in the City or Central London. Therefore, this definition would apply to all other locations in London, but not Central London or the City.

- 1.11 Policy 4.5(c) goes on to confirm that:

- Further intensification of provision will only be supported if this will not compromise local amenity or the balance of local land uses.
- It may be appropriate to locate visitor accommodation in other locations, but only where it can be shown that no suitable site in one of the sequentially preferable location exists and that there is a clear link in scale, nature and location (particularly demonstrating sufficient proximity to minimise the overall need to travel and maximise walking and cycling) between the accommodation and the attraction being served.

- 1.12 Assuming a planning application is supported by a robust Sequential Test, evidence to demonstrate it is in an accessible location (PTAL 4 or above) and evidence to demonstrate that the proposal will not detrimentally compromise the 'balance of uses' in the local area (another test set out in Policy 4.5), then the adopted London Plan would support the principle of a small scale extension to an existing small hotel located outside a town centre.

ITP Draft New London Plan

- 1.13 Policy E10 of the ITP Draft New London Plan states that "a sufficient supply and range of serviced accommodation should be maintained". Furthermore, part I of this policy confirms that "in outer London and those parts of inner London and outside the CAZ, serviced accommodation should be promoted in town centres and within

Opportunity Areas (in accordance with the sequential test as set out in Policy SD7) where they are well-connected by public transport, particularly to central London.” Specific requirements are also provided regarding accessible accommodation.

- 1.14 Supporting text to draft Policy E10 confirms that given the importance of tourism to London’s economy, London needs to ensure that it can meet the accommodation demands of tourists who want to visit the capital. It is estimated that London will need to build an additional 58,000 bedrooms of serviced accommodation by 2041, which is an average of 2,230 bedrooms per annum.
- 1.15 In addition to the above, draft Policy SD7 of the ITP Draft New London Plan concerns town centres and expects that development principles and Development Plan Documents should adopt a sequential approach to town centre uses, including tourism and hotel uses. It explains that such uses should be focused on town centres or if no sites are suitable, available or viable, edge of centre sites that are well integrated with the existing centre, local and walking networks and public transport. It then goes on to explain that out of centre sites can be considered if it is demonstrated that no suitable sites are (or are expected to become) available within town centre or edge of centre locations.
- 1.16 Assuming a planning application is supported by a robust Sequential Test consistent with national policy, then draft Policies E10 and SD7 of the ITP Draft New London Plan support the principle of a small scale extension to an existing small hotel that is located outside a town centre.

2.0 MATTER 4 - EXAMINATION ISSUES & RECOMENDATIONS

- 2.1 The present position of LHG is set out below under the relevant questions of the Inspector's Matter 4, as described in Schedule of Matters and Issues for the Examination (MF3, Revised 30th September 2020). We then outline recommended amendments Policy ED14 in order for the policy to be found sound.

Matter 4 – Economic Development, Retail and Town Centre Uses

Issue 4.1 – Building a strong, competitive economy

Question: (i) Do Policies ED1-15 positively contribute to building a strong, competitive economy in accordance with the requirements of the Framework?

- 2.2 As highlighted in Section 1, paragraph 80 of the NPPF states that planning policies and decisions should help create the conditions in which business can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.
- 2.3 Section 1.0 of this Statement explains that the NPPF, adopted London Plan and ITP Draft New London Plan support the principle of small scale extensions to existing small hotels if this can be justified², but this does not need to be justified by way of a 'departure' from policy.
- 2.4 The current drafting of Policy ED14 means that this policy is inflexible and does not take account of the demand for visitor economy, but instead LBL will be compelled to refuse planning permission for a small scale extension to an existing small hotel located outside of a town centre because these types of proposals would depart from new local policy (but not the NPPF, the adopted London Plan, nor ITP Draft New London Plan policy).
- 2.5 Application of this inflexible policy will only serve to:
- Frustrate existing small hotel businesses by restricting competition from small hotel located outside of the relevant CAZ and town centres; and

- Restrict competition and growth of the small hotel industry. This cannot in anyway be perceived to help to build a strong, competitive economy.

2.6 As already highlighted, on the basis that the NPPF, the adopted London Plan and ITP Draft New London Plan policy would support a planning application that proposes a small scale extension to an existing small hotel located outside of a town centre (under specific circumstances), the restrictive nature of Policy ED14 would:

- Conflict with the guidance contained within national and regional policy guidance; and, therefore
- Lead to confusion when LBL and the Planning Inspectorate are determining small hotel extension related planning applications with the Borough.

2.7 Furthermore, Policy ED7(d) states that 'Proposals for town centre uses in edge of centre and out-of-centre locations will be assessed against the sequential test' – in other words, the well-established town centre first principle. This runs directly contrary to the wording of ED14. Therefore, there is an inherent internal conflict within the Plan.

2.8 Therefore, for the reasons listed above, the Policy ED14 is not 'Sound' as it is not positively prepared, not justified in achieving strategic plan outcomes, not effective, not internally consistent with other policies in the Plan nor is it consistent with the NPPF.

Recommendation

2.9 Adjust Policy ED14 in the manner highted below.

Matter 4 – Economic Development, Retail and Town Centre Uses

Issue 4.8 – Hotels and other visitor accommodation

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

² by a robust Sequential Test, evidence to demonstrate it is in an accessible location (PTAL 4 or above) and evidence to demonstrate that the proposal will not detrimentally compromise the 'balance of uses' in the local area (another test set out in Policy 4.5)

- 2.10 The economic context set out in paragraph 80 of the NPPF is also ready highlighted above and is also relevant to this question. Significant justification will need to be provide by LBL as to why:
- It should ignore the small-scale expansion needs of existing small hotel business located outside of the CAZ and town centres; and, consequently
 - Not support the economic growth and productivity in these locations.
- 2.11 No such justification has been put forward by LBL.
- 2.12 Paragraph 86 and 87 explain that local planning authorities should apply a 'sequential test' to planning applications for main town centre uses which are not within an existing centre. The adopted London Plan and ITP Draft New London Plan and even parts of the draft Lambeth Local Plan all adopt the same approach. The principle of hotel accommodation on 'out of centre sites' can be justified if accompanied by a robust Sequential Test that demonstrates that there is no suitable or available site for the development in a sequentially superior location;
- 2.13 LHG considers that introducing a blanket ban on all hotel accommodation outside town centres is not justified.
- 2.14 LHG have a particular interest in small scale expansion of existing hotels outside of the town centres. Such a policy would introduce an inappropriate barrier to the small hotel businesses and would constrain growth in the hotel sector, contrary to paragraphs 80, 86 and 87 of the NPPF.
- 2.15 There is, and will continue to be, demand for small hotel accommodation in areas of tourist activity and near key transport hubs located on the edge or outside of town centres. Any proposal for additional small hotel accommodation should be judged on its own merits taking into account the specific requirements of the site and the availability (or not) of other more sequentially preferable sites elsewhere.
- 2.16 Furthermore, the town centre first principle is a well-established policy mechanism which provides certainty to developers and decision makers. There is an acknowledged demand for hotel accommodation across London (Policy E10 if ITP London Plan) and within Lambeth itself. Should there be no sites within town centres to accommodate such demand, planning policy gives a mechanism to direct such uses to edge of centre and then accessible out of centre sites. This is the

approach expected at all levels of planning policy and setting aside such a well-established principle in the manner proposed is not justified.

- 2.17 Therefore, for the reasons listed above, the Policy ED14 is not 'Sound' as it is not positively prepared, not justified and would not be effective in achieving local and strategic plan outcomes, nor is it consistent with the NPPF.

Recommendation

- 2.18 The text at part (a) of Policy ED14 that reads 'Additional visitor accommodation outside town centres will not be permitted' should be deleted.

- 2.19 Policy ED14 should be adjusted to allow small scale extensions to small hotels³ located outside of town centres to expand if they are:

- Located in close proximity to public transport infrastructure;
- Supported by evidence to demonstrate there are no other sequentially preferable sites available and suitable; and
- Supported by evidence to demonstrate there will be no detriment impact on the balance of uses in the local area.

³ Less than 15,000sqm

3.0 CONCLUSIONS

3.1 Policy ED14 of the SVDRLP is not:

- a. Positively prepared on the basis it limits the development of small-scale extensions to small hotel accommodation located outside of town centres in the Borough and so will not positively help deliver strategic objectives, including building a strong and competitive economy;
- b. Justified, specifically the part that states that any additional visitor accommodation outside of town centres will not be permitted because it is not supported by proportionate evidence;
- c. Effective because it ignores strategic policy advice (namely the use of the sequential test) in respect of hotel accommodation across London; and
- d. Consistent with the guidance set out in the NPPF and the London Plan (namely the use of the sequential test and the balance of uses test) and, therefore, does not help build a strong and competitive economy.

3.2 From the case outlined in Section 2 and the response to the Inspector's issues and questions, LHG believe that there are a number of modifications necessary to the SVDRLP in order for it to be found Sound and in conformity with the guidance provided in the NPPF.

3.3 The modifications LHG recommend in Section 2 are considered to be justified, effective and consistent with the NPPF.

Background Context

- a. LHG one of the fastest growing independent chain of London branded and unbranded SME small hotels, providing accommodation to individual travellers and groups across London. LHG is a family-run business with over 18 years' experience of the hospitality industry that is keen to upgrade the Belvedere Hotel and Dudley Hotel located off Clapham Common South Side (outside of Clapham's Town Centre) and improve their appearance, with the intention of enhancing the quantitative and qualitative nature of the hotel accommodation.
- b. Planning Applications (references: 20/02384/FUL; 20/02385/FUL; 20/02386/FUL & 20/02387/FUL) were submitted to LBL in April 2020. These applications remain undetermined. A key component of the abovementioned planning applications is the construction of addition hotel accommodation, including a four-storey basement extension to these small hotels.
- c. Although LHG appreciates that its planning applications will be determined on their individual merits, it wishes to highlight to the EIP Inspector that there is demand for additional hotel rooms outside the CAZ and town centre which the current draft policy seeks to ignore and frustrate.
- d. One of the Hotel Need and Sequential Test which supports LHG's applications explains that, before the COVID-19 crisis, the occupancy rating of these hotels has been between 88% and 90% on average since 2017. This level of occupancy is much higher than the average occupancy level (83.6%) across London as a whole. This is largely because hotel demand is closely linked to international and domestic economic and travel demand. With the price increases in Central London, travellers both business and leisure are looking for better value accommodation and are willing to travel out of the centre to find more affordable room prices, which is driving demand in what were previously considered secondary locations.

Extant Planning Permissions

- e. A previous planning application for a two-storey basement extension for additional hotel rooms was previously allowed by the Planning Inspectorate in 2019 (reference: APP/N5660/W/17/31700003) at the Dudley Hotel. A previous planning application (17/01761/FUL) for a two-storey basement extension for additional hotel rooms was

previously allowed by the Planning Inspectorate in 2018 (reference: APP/N5660/W/17/3185544) at the Belvedere Hotel. A previous planning application (18/02142/FUL) for a basement extension which includes additional hotel rooms was previously granted planning permission by LBL at 1 Lynette Avenue, which is part of the Belvedere Hotel.

- f. These decisions confirm that principle of additional visitor accommodation in out of town centre locations is supported by national, regional and local planning policy.