



New Local Plan Review Policy Formulation Report – October 2022

Policy TC8: Hotels



THE ROYAL BOROUGH OF
KENSINGTON
AND CHELSEA

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1. Introduction

1.1 New Local Plan Review

1.1.1 The Council is undertaking New Local Plan Review (NLPR) to ensure we have an up-to-date and fit-for-purpose Local Plan to guide the development of the Borough and reflect our values.

1.1.2 The purpose of this Policy Formulation Report (PFR) is to demonstrate how the following policy within Chapter 5 – Town Centres NLPR have been developed and evidenced to a level of detail which cannot be included in the NLPR document itself:

- **TC8: Hotels**

1.2 Existing Local Plan

1.2.1 This topic of the NLPR relates primarily to the following policies within the Local Plan:

CO2: Strategic Objective for Fostering Vitality

Chapter 19: Fostering Vitality
Policy CF8: Hotels

1.3 Key issues and policy drivers

1.3.1 The Council recognises that where visitors choose to stay is changing, with the traditional hotel having to compete with the tourist short term let and with other types of tourist accommodation. The policy must address these changing patterns. However, the policy must also try to protect hotels that are needed given the considerable benefits that they have to the economy, and the role that they can have as important drivers of footfall within our town centres.

2. Legislation, policy and guidance context

2.1 Introduction

- 2.1.1 The existing Local Plan Policy CF8 was adopted in 2019 and is concerned with both the protection of existing hotels and with the appropriate locations for new hotels. It has been replaced as Policy TC8.
- 2.1.2 Policy TC8 differs from CF8 in that it does allow the loss of hotels within the SW5 postcode area. Appropriate locations for new hotels, or the expansion remains similar, or within or close to existing higher order town centres and within the OAs.

2.2 National

NATIONAL PLANNING POLICY FRAMEWORK (NPPF)

- 2.2.1 A central strand of the NPPF is to achieve sustainable development. Paragraph 8 sets out the three strands, or overarching objectives, which must be addressed if sustainable development is to be achieved: the economic, the social and the environmental. The first two are of direct relevance to town centres and to town centres uses.
- a. ***an economic objective*** – *to help to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure;*
 - b. ***a social objective*** – *to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being;*
- 2.2.2 Paragraph 20 considers strategic policies. These should set out an overall strategy for the pattern, scale and quality of development. It states that “*sufficient provision*” must also be made for “*(a) employment, retail, leisure and other commercial development*”.
- 2.2.3 Paragraph 22 states that the strategic policies dealing with these issues, “*should look ahead over a minimum 15 year period from adoption.*”
- 2.2.4 Paragraph 23 states that, “*strategic policies should provide a clear strategy for bringing sufficient land forward, and at a sufficient rate, to address objectively assessed need over the plan period.*”
- 2.2.5 Section 6 of the NPPF is concerned with “*building a strong competitive economy.*” this is relevant to hotels and other forms of visitor accommodation insofar as they

help build this economy. However, it is section 7, “ensuring the vitality of town centres” which is of direct relevance.

- 2.2.6 Paragraph 86 states that, “*planning policies and decisions should support the role that town centres play at the heart of local communities, by taking a positive approach to their growth, management and adaptation.*” the paragraph goes on to include a list of what planning policies should do. This includes the need to

allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least ten years ahead. Meeting anticipated needs for retail, leisure, office and other main town centre uses over this period should not be compromised by limited site availability, so town centre boundaries should be kept under review where necessary;

- 2.2.7 Hotels are named as a “main town centre use” within the glossary. (My emphasis)

Main town centre uses: Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).

- 2.2.8 Paragraph 87 to 91 consider how a LPA should consider relevant planning applications. Paragraph 87 sets out the need for a “*sequential test for planning applications for main town centre uses which are neither in an existing town centre nor in accordance with an up-to-date plan.*” It states that the, “*main town centre uses should be located in town centres, then edge of centre locations; and only if suitable sites are not available (or expected to become available within a reasonable period) should out of centres sites be considered.*”

[NATIONAL PLANNING PRACTICE GUIDANCE \(NPPG\): TOWN CENTRES AND RETAIL](#)

- 2.2.9 This section of the NPPG notes that LPAs can take a leading role in promoting a positive vision of town centres, by bringing together stakeholders and by supporting sustainable economic and employment growth.

- 2.2.10 It notes the role that a range of complementary uses can have in supporting the vitality of town centres.

“A wide range of complementary uses can, if suitably located, help to support the vitality of town centres, including residential, employment, office, commercial, leisure/entertainment, healthcare and educational development.”

- 2.2.11 This will include hotels and other forms of visitor accommodation.

- 2.2.12 A hotel can, but many not always, have a bar or restaurant associated with it. This is an “evening activity”. The NPPG notes that

“Evening and night time activities have the potential to increase economic activity within town centres and provide additional employment opportunities. They can

allow town centres to diversify and help develop their unique brand and offer services beyond retail. In fostering such activities, local authorities will also need to consider and address any wider impacts in relation to crime, noise and security.”

2.3 Regional

THE LONDON PLAN (MARCH 2021)

2.3.1 Policy SD6: Town centres and high streets seeks to promote and enhance the vitality and viability of town centres.

2.3.2 The vitality and viability of London’s varied town centres should be promoted and enhanced by: *1) encouraging strong, resilient, accessible and inclusive hubs with a diverse range of uses that meet the needs of Londoners, including main town centre uses, night-time economy, civic, community, social and residential uses.* As a commercial use, hotels can play a role in supporting the role of our town centres. Policy SD6 goes on to note that:

G) Tourist infrastructure, attractions and hotels in town centre locations, especially in outer London, should be enhanced and promoted

2.3.3 Policy E10: Visitor infrastructure is directly concerned with the visitor economy and with serviced accommodation.

- A) A) London’s visitor economy and associated employment should be strengthened by enhancing and extending its attractions, inclusive access, legibility, visitor experience and management and supporting infrastructure, particularly to parts of outer London well-connected by public transport, taking into account the needs of business as well as leisure visitors.
- B) The special characteristics of major clusters of visitor attractions and heritage assets and the diversity of cultural infrastructure in all parts of London should be conserved, enhanced and promoted.
- C) A sufficient supply and range of serviced accommodation should be maintained.
- D) The provision of high-quality convention facilities in town centres and in and around the CAZ should be supported.
- E) Camping and caravan sites should be supported in appropriate locations.
- F) Within the CAZ, strategically-important serviced accommodation should be promoted in Opportunity Areas, with smaller-scale provision in other parts of the CAZ except wholly residential streets or predominantly residential neighbourhoods (see Policy SD5 Offices, other strategic functions and residential development in

the CAZ), and subject to the impact on office space and other strategic functions. Intensification of the provision of serviced accommodation should be resisted where this compromises local amenity or the balance of local land uses.

- G) In outer London and those parts of inner London 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 Town centres: development principles and Development Plan Documents) where they are well-connected by public transport, particularly to central London.
- H) To ensure sufficient choice for people who require an accessible bedroom, development proposals for serviced accommodation should provide either: 10% of new bedrooms to be wheelchair accessible or 15% of new bedrooms to be accessible rooms

2.4 Local

EXISTING LOCAL PLAN POLICY

- 2.4.1 The existing Local Plan policies specifically relating to hotels is Policy CF8.
- 2.4.2 The Local Plan seeks to protect hotels and hotel bedrooms across the borough. This reflected the nature of the hotel market at the time. This policy originated before the closure of the Earl's Court Exhibition Centre, a driver for local demand for tourist accommodation across the borough, but in Earl's Court in particular.
- 2.4.3 Local Plan Policy CF8 also considers the appropriate locations for new hotels and offers support for the upgrading and expansion of existing hotels.

Policy CF8: Hotels

The Council will ensure that the visitor economy is supported through appropriate hotel provision.

To deliver this the Council will:

- a. protect hotels and hotel bedrooms across the borough;
- b. require new hotels to be located within, or immediately adjoining, the borough's higher order town centres, and in particular Knightsbridge, South Kensington, Kensington High Street, King's Road (East), Brompton Cross and Notting Hill Gate, within the Earl's Court Exhibition Centre site allocation; close to major tourist attractions; in areas which enjoy excellent links to Central London; or within other areas where the new hotel would support the function of the area;

c. encourage the upgrading and expansion of existing hotels where:

- i. this will assist in maintaining the vitality of the centre;
- ii. this will not result in the loss of any residential accommodation;
- iii. there will be no unacceptable harm to amenity or to the residential character of an area.

2.5 Summary

Date	Document	Organisation
June 2019 (as amended)	National Planning Policy Framework Paragraphs 8,20, 22,23 and 85-92.	DLUHC
September 2020	National Planning Practice Guidance (NPPG): Town centres and retail	DLUHC
Mar 2021	The London Plan Policies SD6 and E10.	Mayor of London

3. Evidence base

- 3.1 The GLA's working paper 88, "[Projections of demand and supply for visitor accommodation in London to 2050](#)" considers the need for serviced bedspaces (hotels) across London to 2050.
- 3.2 This includes an assessment of need by borough. This concludes that the projected demand for serviced accommodation between 2015 and 2041 is just for an additional 150 rooms. This is insignificant given the estimated stock of 15,000 rooms in 2015.
- 3.3 This report does reference serviced accommodation, or accommodation in the Air BnB type model, where the visitor must provide for themselves, such as in cooking and cleaning. It refers to 2016 data which estimates that just five London Boroughs (including Kensington and Chelsea) accounted for more than half of all of London's non-serviced visitor accommodation. Whilst the report notes that this non serviced accommodation may "substitute" the demand for traditional hotels, the estimates for hotel need do take account of the acceleration in the role of the non served sector.
- 3.4 The role of the non-serviced sector is illustrated by the Borough's [Housing Needs Assessment \(January 2022\)](#) which notes that there are 6,129 listings on the borough for Air BnB alone. (Paragraph 2.59)
- 3.5 Given its date the GLA working paper cannot have accounted for the effects of the Covid-19 pandemic. However, for the purposes of calculation of need, the pandemic is not expected to have a significant long term impact. Indeed visitor numbers are expected to return to pre-pandemic numbers by 2023.
- 3.6 The Council monitor the net change in hotel bedrooms (completions) (when planning permission is required) over time. This is not significant in the context of the sector as a whole.

Year	Net change
2019/20	-12
2018/19	-17
2017/18	-41
2016/17	-21
2015/16	-21
Total	-109

Figure 3.1: Net change hotel bedrooms RBKC (completions)
Source: RBKC Annual monitoring

SUMMARY

Date	Document	Organisation
April 2017	“Projections of demand and supply for visitor accommodation in London to 2050”	Urban Shape
January 2022	RBKC Local Housing Needs Assessment	Cobweb

4. Options, consultation and Integrated Impact Assessment (IIA)

4.1 Alternative options were consulted on as part of the borough Issues (September 2020) and Issues and Options (July 2021) consultation documents. The Consultation Schedules and Consultation Summaries for these are set out in the Consultation Statement published alongside the Regulation 19 Publication Policies (October 2022) consultation document. Consultation responses have been reviewed and used to inform the development of, and modification to, the draft NLPR Policies.

4.2 A breakdown of the public consultations undertaken by RBKC to inform the production of the NLPR is set out in the table below.

Public Consultation	Timeframe
Borough Issues Consultation	29 September – 10 November 2020
Issues and Options Consultation	26 July – 4 October 2021
Regulation 18 Draft Policies	9 February – 23 March 2022
Regulation 19 Publication	October 2022

Figure 4.1 : RBKC NLPR Consultation Timeline.

4.3 The options considered through the consultations and within the Integrated Impact Assessment (IIA) are summarised below.

4.4 The Council has considered the options particularly in light of the ‘tests of soundness’ which are set out in the NPPF:

- **Positively prepared** – providing a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;
- **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- **Effective** – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
- **Consistent with national policy** – enabling the delivery of sustainable development in accordance with the policies in this Framework

HOTELS

4.5 The options and alternatives considered under Policy TC1 for the **location of new town centre uses** relate to the “town centre first” principle and the need for an impact assessment. The approach taken for new E class business uses is considered in a separate policy formulation report.

Option	Status	Reason
<p>1 Continue to protect hotel rooms and other forms of visitor accommodation across the borough</p>	<p>Reasonable alternative</p>	<p>The GLA Economics paper (2017) predicts the future need for hotel bed spaces over time. It concludes that whilst the borough is London’s third largest supplier of hotel bedspaces the demand and supply to 2041 it is broadly in balance. This would suggest that the Council is to support the hotels that it has to ensure that the need for hotel bedspaces continues to be met.</p>
<p>Allow the loss of hotels in SW5 postcode area ward.</p>	<p>Preferred option</p>	<p>Whilst the GLA Economics paper suggests that the need for hotels bedspaces within the borough is broadly in balance, it does not account for the rise of the non-serviced accommodation sector. This has changed the demand for hotels in the borough.</p> <p>Historically Earl’s Court Ward has contained the highest number of hotels. Many of these were of poor quality and had a detrimental impact on the character of the area. Whilst this may no longer be the case we do recognise that the closure of the Earl’s Court Exhibition Centre will have deflated the local hotel market. Loss of hotels to residential in this area could</p>

Option	Status	Reason
		<p>provide an opportunity for hotels to be used for new homes in this area.</p> <p>This would have a positive effect on housing supply, and assist the Council in meeting its housing need.</p>
<p>Support the diversification of existing hotels and the provision of new related facilities.</p>	<p>Preferred option</p>	<p>The Council recognises that the hotel market is changing – a change that has been accelerated by the covid-19 crisis. Support for diversification of hotels will help maintain the viability of the sector.</p>
<p>Support the provision of new hotels within or adjacent to higher order town centres and within The OAs,</p>	<p>Preferred option</p>	<p>The NPPF recognises that as a “main” town centre use, hotels should be subject to the requirements of the sequential test. This is endorsed by the London Plan. The latter also endorses the provision of new hotels within the OAs.</p>

5. Publication Policy

5.1 Following consideration of the options presented above, consultation and reasonable alternatives, the Council has finalised the following policy:

TC8: Hotels and other forms of tourist accommodation

The Council will:

- A. support the provision of new hotels:
 - 1. within, or adjacent to the Borough's higher order town centres;
 - 2. within the Earl's Court and West Kensington Opportunity Area; or
 - 3. other areas where the new hotel would support the function of the area, where:
 - a. there is no loss of permanent residential accommodation; and
 - b. there will be no unacceptable harm to amenity or to the residential character of an area.
- B. protect hotels and hotel bedrooms across the Borough, save within the SW5 postcode area,.
- C. encourage the expansion, upgrading and diversification of existing hotels where:
 - 1. this will assist in maintaining the vitality of a town centre;
 - 2. this will not result in the loss of any permanent residential accommodation; and
 - 3. there will be no unacceptable harm to amenity or to the residential character of an area.
- D. resist the provision of holiday lets and other forms of temporary sleeping accommodation where:
 - 1. it involves the loss of permanent residential accommodation; or
 - 2. it will have significant impact on the amenity or to the residential character of an area.

6 Duty to cooperate and strategic issues

- 6.1 The legal obligation of the ‘duty to cooperate’ requires the Council to “engage constructively, actively and on an ongoing basis” and have “regard to activities” (i.e. strategies, plans, policies) of other bodies in the preparation of Local Plans “so far as relating to a strategic matter”. This includes “considering whether to consult on and prepare... agreements or joint approaches”¹.
- 6.2 A “strategic matter” relates to “sustainable development or use of land that has or would have a significant impact on at least two planning areas, including (in particular)... in connection with infrastructure that is strategic”². Strategic matters are further defined in paragraph 156 of the NPPF³ and paragraph 013 of the NPPG on the duty to cooperate⁴.
- 6.3 Figure 6.1 shows the actions the actions the Council has taken with regard to the duty and the relevant prescribed bodies.
- 6.4 The Council has prepared a statement ground which sets out where we are in agreement with neighbouring authorities. This will be amended as and when appropriate.
- 6.5 The provision of hotels is not concerned to be a cross boundary matter, and as such has not been a focus of discussions with our neighbours.

Prescribed bodies / LPAs ⁵	Action(s)	Date(s)
All	The Council has had regard to all relevant strategies, plans and policies of the relevant prescribed bodies in preparing the policies – as set out in Legislation, Policy and Guidance sections of Policy Formulation Reports (PFRs)	Ongoing
All	New Local Plan Review Issues consultation – see Consultation Schedule	Sept to Nov 2020
All	New Local Plan Review Issues and Options consultation – see Consultation Schedule	July to Oct 2021
All	New Local Plan Review Regulation 18 Draft Policies consultation – see Consultation Schedule	Feb to Mar 2022

Figure 6.1: Duty to cooperate strategic issues, prescribed bodies and Council actions

¹ Section 33A of the Planning and Compulsory Purchase Act 2004, as inserted by Section 110 of the Localism Act 2010

² Section 33A(4) of the Planning and Compulsory Purchase Act 2004, as inserted by Section 110 of the Localism Act 2010

³ <http://planningguidance.communities.gov.uk/blog/policy/>

⁴ <http://planningguidance.communities.gov.uk/blog/guidance/duty-to-cooperate/>

⁵ Regulation 4 of The Town and Country Planning (Local Planning) (England) Regulations 2012