

MURPHY'S YARD

AN APPLICATION BY FOLGATE ESTATES LIMITED



**RETAIL AND OFFICE SEQUENTIAL SITE
AND IMPACT ASSESSMENT**

JUNE 2021

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1. Introduction

1.1 This Retail and Office Sequential Site and Impact Assessment has been prepared by Urban Shape planning consultants on behalf of Folgate Estates Ltd. It forms part of a suite of documents accompanying the application for planning permission at Murphy's Yard ('the Site'), for the following development:

Outline planning permission with all matters reserved for the demolition of existing buildings and structures and redevelopment to be carried out in phases (with each phase being an independent act of development) comprising the following mix of uses: residential (Use Class C3), residential institution (Use Class C2), industrial (Use Class B2 and/or B8), commercial floorspace (Class E), flexible commercial and Sui Generis floorspace (Use Class E and/or Sui Generis Use), Community (F1 and/or F2), Sui Generis, and cycle and vehicle parking, refuse and recycling storage, plant, highway and access improvements, amenity space, landscape and public realm improvements, and all associated works.

1.2 Full details of the Site, proposals, floorspace schedules and planning assessment are set out in the accompanying Planning Statement and Design & Access Statement. This report addresses specifically the sequential and impact policy requirements in respect of the office and retail floorspace being proposed, and is structured as follows:

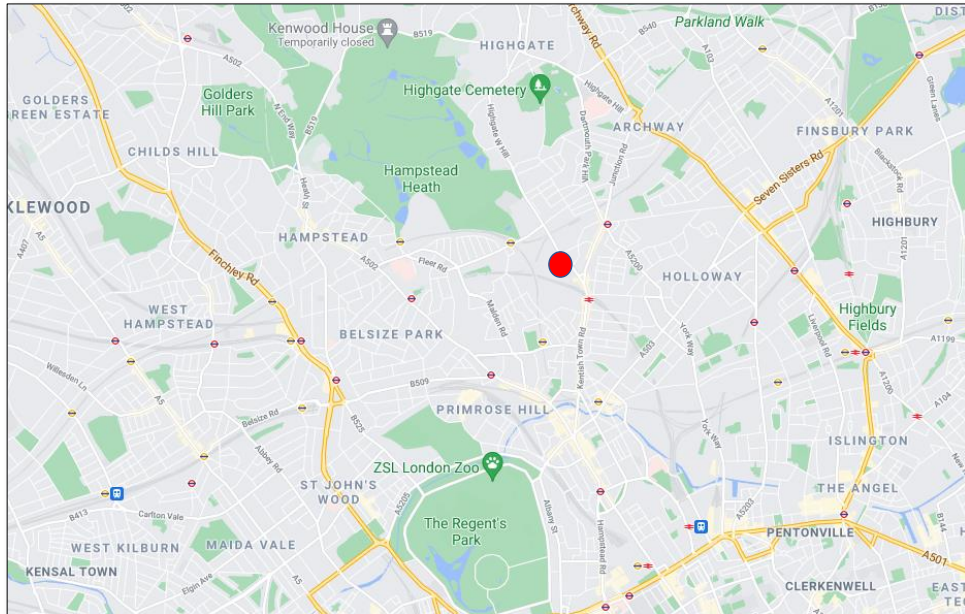
- **Section 2** details the site and surrounding area;
- **Section 3** describes the proposed development, with a particular focus on the retail and office floorspace;
- **Section 4** summarises the relevant planning policies;
- **Section 5** sets out our policy response to the retail and office sequential site assessment;
- **Section 6** addresses the impact of the proposed retail and office floorspace against the relevant policy tests; and
- **Section 7** sets out our conclusions.



2. Site and Surrounding Area

2.1 The Murphy's Yard Development Site is located in the London Borough of Camden, with Hampstead Heath lying immediately to the north, and Kentish Town to the south. The Site measures 6.23 hectares.

Figure 2.1: Site Location, Murphy's Yard, London Borough of Camden



2.2 The Site lies to the west of Highgate Road and is bound to the north, west and south by railway lines. The northern part of the site borders Gordon House Road and lies opposite Hampstead Heath. It is a predominately landlocked/back-land site with access currently restricted to three constrained entrances, one each on Gordon House Road, Sanderson Close and Greenwood Place. The proposed development introduces substantial improvements to the connectivity of the site with adjoining neighbourhoods (set out in Section 3).

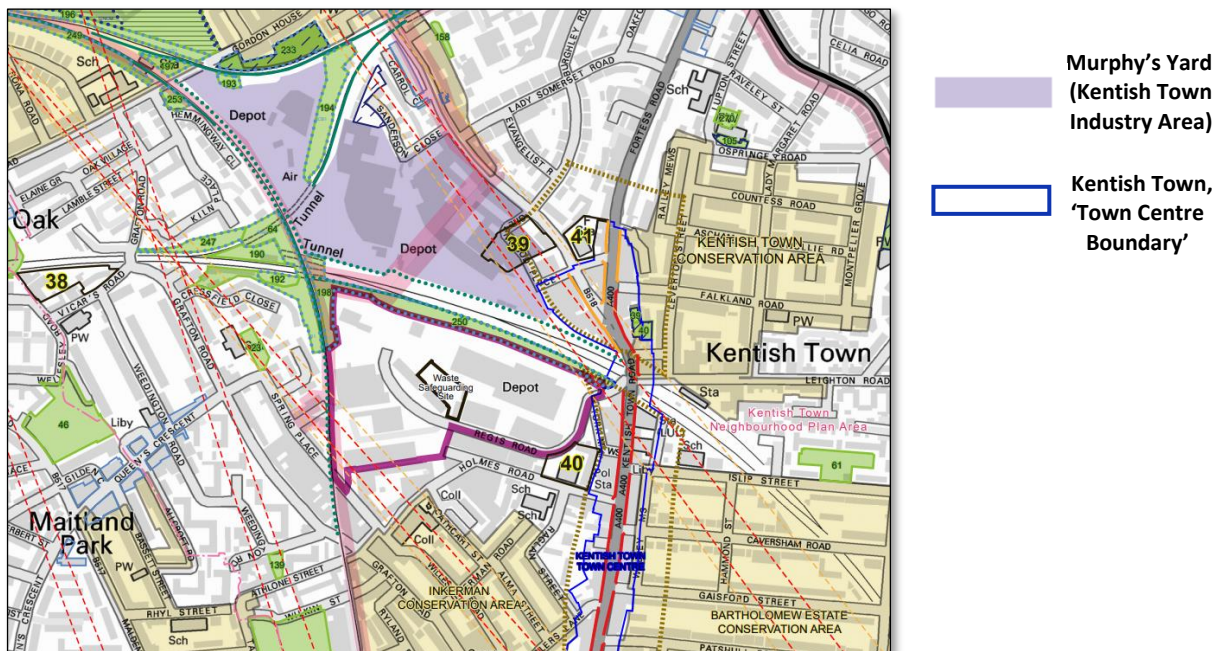
Figure 2.2: Site Boundary, Murphy's Yard





- 2.3 Murphy's Yard is occupied by J. Murphy & Sons Limited who are a global multi-disciplined engineering and construction company delivering infrastructure. The Site is their headquarters and contains office and industrial uses, open yard space and parking. There are three locomotive sheds of historic interest (including the Murphy's Headquarters that is not within the application site), which are locally listed. Other than these large buildings, development on the site is of very low density (with portacabins, sheds and other miscellaneous structures). There is a former station building in the northern part of the site, now surrounded by a more recent shed development.
- 2.4 The O2 Forum Kentish Town, which is grade II listed, is also within the applicant's ownership and utilises the Greenwood Place access. The venue – and its servicing yard to the rear – are not included in the application site. There are significant level changes across the site, rising from the Midland Mainline in the south, and much of the southern part of the site is over a storey below the buildings on Highgate Road at the north of the site.
- 2.5 The Site is designated as an 'Industry Area' in the Local Plan, and is considered a 'Locally Significant Industrial Site' (LSIS) within the London Plan. It has a varied PTAL rating from 1b to 5, with the middle part of the site near the railway lines having the lowest level of access to public transport. The site does not lie within a designated Conservation Area (CA).
- 2.6 Surrounding uses include residential to the north (on or near Gordon House Road); a Council owned housing estate on Sanderson Close; residential and commercial along Highgate Road; employment as part of Highgate Studios and the Greenwood Centre; the Regis Road site to the south and residential development to the west in Gospel Oak. Kentish Town 'town centre boundary' adjoins the southern part of the site.

Figure 2.3: Kentish Town 'town centre boundary', adjoining Murphy's Yard



London Borough of Camden, Proposals Map Extract



3. The Proposed Development

3.1 The vision for Murphy's Yard is one of a characterful, playful and accommodating place for all; seeking to link existing communities through the provision of exceptional public realm, community space, workspace and a significant number of new homes. Green links will enhance the area and connect the new community to adjoining key transport nodes, urban areas and open spaces, from Gospel Oak to Kentish Town High Street and from Kentish Town Station to Hampstead Heath. The intensification of the wider area will provide jobs, new homes and essential infrastructure to support both new and existing communities. Figure 3.1 and 3.2 illustrate the broad locations of the residential, industrial uses (Figure 3.1), and the flexible office space (Figure 3.2).

Figure 3.1: An Industrial Mixed-Use Neighbourhood

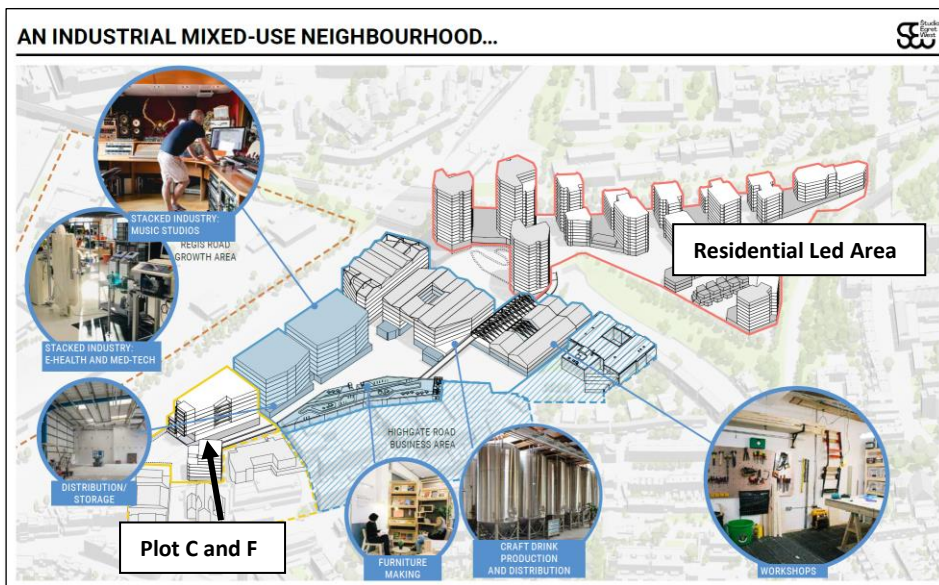
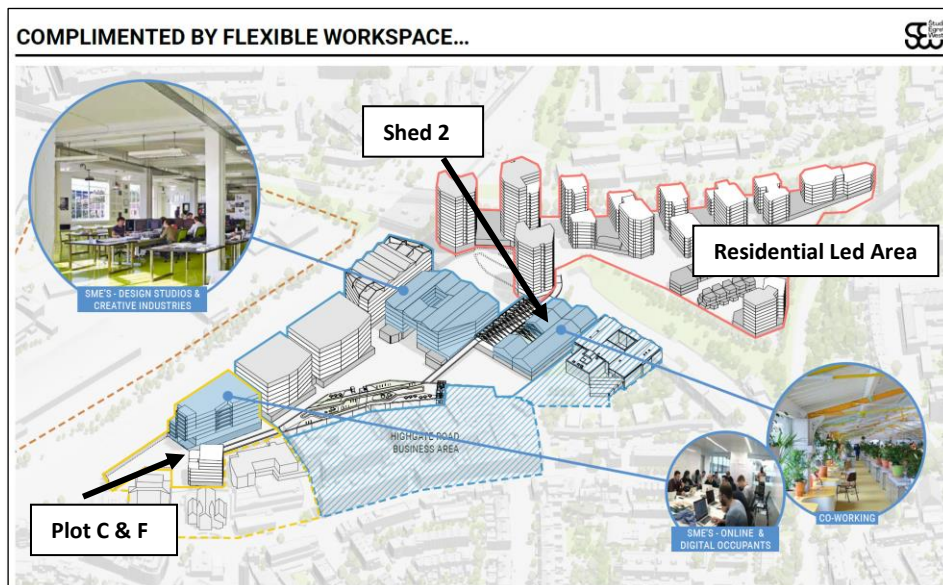


Figure 3.2: Flexible Office Workspace and Mixed Use Town Centre





3.2 A full detailed description of the proposals are provided in the Planning Statement. In summary, the proposals for the site include a mix of uses including general industrial (B2), storage and distribution (B8), light industrial (E(g)(iii)), office (E(g)(i)), research and development (E(g)(ii)), supporting/ancillary retail, leisure (E(a) and (b)) and sui generis, indoor sport and fitness (E(d)), medical and health services (E(e)), creche/nursery (E(f)), community and learning (F1/F2), residential (C3) and residential institution (C2). The subject of this assessment is the proposed office and retail floorspace, the maximum levels quantified as followed:

- Office: 34,500 sq m GEA (maximum)
- Retail/Leisure: 5,150 sq m GEA (maximum)

3.3 The application will form an outline planning application. We set out the proposals below, with further details of the Commercial Strategy and scheme composition provided in Section 6 as part of the Impact Assessment.

Proposed Office Floorspace

3.4 The office floorspace (Use Class E(g)(i)) will be located within Plot F and Shed 2 and 3. The office floorspace will include around 3,000 sq m of affordable workspace for the residents and businesses of the borough, equating to 6% of the total quantum of commercial floorspace that is being delivered on site. The diverse range of office workspaces on this site will predominantly be targeted at small and medium-sized companies, complementing other commercial uses, including the light industrial space. Rather than large corporate office floorplates, the employment premises will accommodate a range of space and business types and sizes, focusing on growth sectors such as 'tech, media and telecoms' (TMT) and the creative industries.

3.5 The provision of flexible commercial space designed in a variety of different sizes, configurations and typologies has various placemaking benefits that underpin the new neighbourhood. The creative nature of the businesses will complement and benefit from the industrial companies and organisations also within the site. Kentish Town has a thriving high growth business community that require a new supply of space to enable their businesses to continue to grow. A key focus of the commercial strategy for Murphy's Yard seeks to complement and assist this thriving business community as they seek new space, ensuring the retention of investment, and the safeguarding of jobs and opportunities within the Borough.

Proposed Retail and Leisure Floorspace

3.6 The level of retail and leisure floorspace proposed will serve two purposes; the first, to support the everyday needs of the newly created residential community on the Murphy's Yard site aiming to enhance social inclusion, well-being and place-making; the second to provide flexible floorspace ancillary to the event space at the heart of the site (Shed 2), adaptable to a range of retail and leisure uses which can vary across the year. It is not the intention to create a new 'town centre' on the Site, but instead to serve the local everyday needs of new residents and also visitors to the event space being created to create a cultural hub.

3.7 The retail floorspace will be located within Plots C and F, within Shed 2, and also scattered across the remainder of the Masterplan Area. The development and layout of Plots C and F will create and underpin strong linkages with Kentish Town 'town centre', encouraging a good pedestrian circuit around the high street, train station and Murphy's Yard.



- 3.8 The central locomotive 'Shed 2' will celebrate the site's industrial heritage, creating light industrial workspace alongside event space and food and beverage facilities. Flexible mixed-use space is proposed at ground floor level within Shed 2 up to a maximum of 1,500 sq m GEA. The intention is a 'street food' type set up and atmosphere, to include Sui Generis 'drinking establishments' and hot food to take-away from the street-market stalls and fixed units internal across the ground floor. There may also be a number of non-food retail stalls/units. Given the composition of the space and individual market stalls, temporary and moveable units, the net floorspace would be substantially lower to allow for circulation in an 'event space' set up.
- 3.9 A further 3,650 sq m GEA (maximum) of retail and commercial uses could be brought forward across Plots C and F, and scattered across the Masterplan area to support the wider mix of residential and commercial uses. The 'community' floorspace would include a mix of Use Class E (a/b/d/f) shops, cafes/restaurants, indoor fitness/gym, creche/day nursery, and sui generis drinking establishments/wine bars. This scale of 'ancillary' retail floorspace (Use Class E(a) and E(b)) is expected to accommodate around 10-15 small scale shops, a small convenience store, café, and restaurant uses primarily to serve the newly created residential community on site.
- 3.10 The retail and leisure floorspace will be supported by the new residential community, new business, additional jobs, affordable workspace, and industrial, warehouse and creative uses as part of the Murphy's Yard development. The number of people visiting the site every-day for different reasons will be significant, and also include those visiting the event space and those moving through the site along the 'heathline'.
- 3.11 The commercial strategy and focus of the scheme has always been to create a new and diverse neighbourhood in this part of London, comprising a sustainable residential and business community and high quality event space with ancillary facilities. The proposed retail, leisure and community uses are vital to ensure the creation of a diverse and inclusive neighbourhood that promotes the health and wellbeing of its communities and reduces health and social inequality across the Masterplan area and beyond.
- 3.12 The proposals are not 'retail led', but rather the retail and leisure floorspace is supportive and ancillary to the main uses on the site; it is not the intention to create a new destination town centre. The retail and leisure floorspace will be 'self-supporting' and also complementary and different to nearby town centres. The offer will create new and diverse reasons for people to visit a revitalised new neighbourhood.

Connectivity, The Heathline

- 3.13 As noted earlier, the proposed development will substantially enhance connectivity and linkages throughout the site and to adjoining areas. Fundamental to the development proposal is establishing a new connection between Kentish Town and Gospel Oak / Hampstead Heath (the 'Heathline'), which represents a significant public realm offer, reflecting the ecology and character of Hampstead Heath.
- 3.14 The new multi-levelled connection between Kentish Town and Gospel Oak will provide circa 2.3 hectares of new public open space, cycle ways and public viewing platforms on plots A, B & Shed 2. Additional pedestrian and cycleways and access routes will also help connect the new development to adjoining areas, providing additional footfall for Kentish Town centre and an increased number of arrivals at Kentish Town station.



Figure 3.3: The Heathline



Note: Indicative/illustrative layout plan



4. Policy Framework

4.1 Section 38(6) of the Planning and Compulsory Purchase Act states that planning applications should be determined in accordance with the development plan unless material considerations indicate otherwise. In this instance, the development plan comprises the London Plan (March 2021), the Camden Local Plan (2017), and the Kentish Town and Dartmouth Park Neighbourhood Plans (2016 and 2020). The National Planning Policy Framework (NPPF) must be taken into account in preparing the development plan, and is a material consideration in planning decisions.

National Planning Policy Framework (NPPF), February 2019

- 4.2 The revised National Planning Policy Framework ('NPPF') for England was published by the Government on 19 February 2019. The NPPF constitutes formal guidance for a Local Planning Authority and is a 'material consideration' in determining applications. The NPPF makes it clear that 'development plans' should be consistent with the objectives, principles and policies set out at national level and in particular reflect the explicit presumption in favour of sustainable development (paragraph 11).
- 4.3 The NPPF requires local planning authorities to adopt a positive approach to decision-taking, and to apply a presumption in favour of sustainable development. The NPPF requires that applications which accord with the development plan should be approved 'without delay'. In instances where there are no relevant development plan policies, or the policies (which are most important for determining the application) are out-of-date, the NPPF states that permission should be granted, unless the adverse impacts of doing so would significantly outweigh the benefits of the development, when assessed against the policies in the NPPF.
- 4.4 Paragraph 8 sets out the economic objective to 'help build a strong, responsive and competitive economy', whilst paragraph 80 emphasises that planning policies and decisions should help create the conditions in which businesses 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.
- 4.5 Paragraph 38 sets out that local planning authorities 'should work proactively with applicants to secure developments that will improve the economic, social and environmental conditions of the area. Decision-makers at every level should seek to approve applications for sustainable development where possible'. Paragraph 82 adds that planning policies and decisions should recognise and address the specific locational requirements of different sectors in suitably accessible locations, including – for example – knowledge and data driven, creative or high technology, and storage/distribution.
- 4.6 The NPPF aims to ensure the vitality of town centres, and sets out criteria for the application of the sequential and impact test. Paragraph 86 advises that a sequential test should be required for planning applications for 'main town centre uses'¹ (which include offices) that are not in an existing centre and are not in accordance with an up to date Local Plan.
- 4.7 The sequential test seeks to focus development in town centre locations, followed by edge of centre locations and only where suitable sites are not available within a reasonable period of time should out of centre sites be considered. Paragraph 87 emphasises that when considering edge of centre and out of centre proposals, preference should be given to accessible sites which are well connected to the town

¹ Annex 2, NPPF (Glossary) defines main town centre uses to include offices.



- centre. Paragraph 90 advises that where an application fails to satisfy the sequential test, it should be refused.
- 4.8 Paragraph 89 of the NPPF advises that impact assessments should only be required for retail and leisure development outside town centres, and makes no reference to office floorspace. When assessing applications for retail and leisure development outside of town centres, which are not in accordance with an up-to-date development plan, LPAs should require an impact assessment if the development is over a proportionate, locally set threshold. If there is no locally set floorspace threshold, the default threshold is 2,500 sq m of gross floorspace.
- 4.9 Impact assessments are required to assess:
- the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and
 - the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and the wider retail catchment (as applicable to the scale and nature of the scheme).
- 4.10 The NPPF confirms that a sequential site and impact assessment should be required for the proposed retail and leisure floorspace, but that only a sequential site assessment is required for the proposed office floorspace. The NPPF does not recommend an 'office impact assessment' in support of a planning application. The NPPF directs that where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the considerations in paragraph 89, it should be refused.
- 4.11 Annex 2 of the NPPF provides a glossary of definitions, including the following of relevance to this assessment:
- Edge-of-Centre (for retail purposes): a location that is well connected to, and up to 300 metres from, the primary shopping area;
 - Edge-of-Centre (for all other main town centre uses): a location within 300 metres of a town centre boundary. For office development this includes locations outside the town centre but within 500 metres of a public transport interchange;
 - Primary Shopping Area: defined area where retail development is concentrated;
 - Town Centre: area defined on the local authority's policies map, including primary shopping area and areas predominantly occupied by main town centre uses (including offices) within or adjacent to the primary shopping area;
 - Out-of-Centre: a location which is not in or on the edge of a centre but not necessarily outside the urban area.
- 4.12 Murphy's Yard adjoins the northern end of Kentish Town centre boundary, and is less than 300 metres from both the Primary Shopping Area and the Town Centre boundary. Murphy's Yard is 'edge-of-centre'.

National Planning Policy Guidance (November 2020)

- 4.13 National Planning Policy Guidance (PPG) was first published on 6 March 2014 with subsequent updates. Paragraph 010 of the PPG states that in determining planning applications and where applicable, the



- applicant must demonstrate compliance with the sequential test, the requirements of which must be proportionate and appropriate for the given proposal. Applicants must show that the suitability of more central sites to accommodate the proposal has been considered and demonstrate to decision makers whether there is scope for flexibility in the format and/or scale of the proposal.
- 4.14 Paragraph 010 clarifies that it is not necessary to demonstrate that a potential town centre or edge of centre site can accommodate precisely the scale and form of development being proposed, but rather to consider what contribution more central sites are able to make individually to accommodate the proposal. If there are no suitable preferable locations, the sequential test is passed.
- 4.15 Paragraph 011 states that 'the use of the sequential test should recognise that certain main town centre uses have particular market and locational requirements which mean that they may only be accommodated in specific locations. Robust justification must be provided where this is the case.'
- 4.16 Paragraph 014 of the NPPG confirms that the impact test 'relates to retail and leisure developments (not all main town centre uses)'. The NPPF and NPPG confirms that an impact test is not required for office development.
- 4.17 When considering proposals for retail floorspace, paragraph 017 provides a step by step guide to applying the impact test in order to consider the potential impacts of the proposed development's turnover and trade draw. Impacts should be considered on existing, committed and planned investment within the given catchment area, town centre vitality and viability, and in centre trade and trade in the wider area. The 'checklist for applying the impact test' is set out in paragraph 018 of the PPG, and re-affirms the impact test being specific to retail and leisure development.

Development Plan

London Plan (March 2021)

- 4.18 In March 2021, the Mayor adopted the London Plan. It is a strategic spatial planning document setting the London wide context within which individual London Borough's must set their local planning policies. The London Plan forms part of the Development Plan for the purposes of development control and planning decisions, and local policy frameworks must be 'in general conformity'.
- 4.19 The Site is a designated industrial site and is considered a Locally Significant Industrial Site (LSIS) within the London Plan. Policy E6 – 'Locally Significant Industrial Sites' – states that in their Development Plans, boroughs should 1) designate and define detailed boundaries and policies for Locally Significant Industrial Sites (LSIS) and 2) make clear the range of industrial and related uses that are acceptable in LSIS including, where appropriate, hybrid or flexible B1c/B2/B8 suitable for SMEs and distinguish these from local employment areas that can accommodate a wider range of business uses.
- 4.20 The concept of 'Good Growth' – growth that is socially and economically inclusive and environmentally sustainable – underpins the Plan and ensures a focus on sustainable development. In 'Planning for Good Growth', paragraph 1.0.10 confirms that planning for mixed-use developments in all parts of London will spread the success of London's economy and create stronger communities where everyone feels welcome.
- 4.21 Policy GG1 seeks to build strong and inclusive communities, stating that development must provide access to good quality services and amenities that accommodate, encourage and strengthen communities, increasing active participation and social integration, and addressing social isolation. The policy adds that development must also promote the crucial role of town centres, and plan for places



- that provide important opportunities for face-to-face contact and social interaction during the daytime, evening and night-time.
- 4.22 Policy GG2 of the London Plan states that in order to create successful, mixed-use places that make the best use of land, priorities for development should be Opportunity Areas, brownfield land, surplus public sector land, sites which are well-connected by existing or planned Tube and rail stations, sites within and on the edge of town centres, and small sites.
- 4.23 Policy E1 states that improvements to the quality, flexibility and adaptability of office space of different sizes (for micro, small, medium-sized and larger enterprises) should be supported by new office provision and mixed use development. The policy encourages the extension of diverse office markets across London, and whilst supporting new office development in town centres it does add that this must have regard to the Town Centre Network office guidelines in Table A1.1 and Figure A1.4 in Annex 1.
- 4.24 Supporting text paragraph 6.1.2 recognises that the office market is going through a period of restructuring with increasing numbers of micro, small and medium-sized enterprises (SME's), changing work styles supported by advances in technology, and new forms of accommodation such as flexible and co-working space. Office employment projections translate into demand for between 4.7 and 6.1 million sq m of office floorspace over the period 2016 to 2041. Supporting text emphasises that *it is important that the planning process does not compromise potential growth.*
- 4.25 Policy E2 recognises the restructuring of the office market, and directs boroughs to include policies in Development Plan Documents that support the provision of a range of B Use Class business space, to meet the needs of micro, small and medium-sized enterprises and to support firms wishing to start-up or expand. The policy adds that the development of B Use Class business uses should ensure that the space is fit for purpose having regard to the type and use of the space.
- 4.26 Policy E8 seeks to promote employment opportunities for Londoners across a diverse range of sectors. In order to achieve this, Part C identifies and supports a range of workspaces including start-up/incubator spaces; flexible workspaces such as co-working and serviced offices; grow on/move on spaces for business and affordable workspaces.
- 4.27 Policy SD7, 'Town Centres', states that when considering development proposals, boroughs should take a town centres first approach. Boroughs are directed to apply the sequential test to applications for main town centre uses, requiring them to be located in town centres. If no suitable town centre sites are available or expected to become available within a reasonable period, consideration should be given to sites on the edge of centres that are, or can be, well integrated with the existing centre, local walking and cycle networks, and public transport. Applications that fail the sequential test should be refused.
- 4.28 Policy SD7 requires an impact assessment on proposals for new, or extensions to existing, edge or out-of-centre development for retail, leisure and – contrary to advice set out in the NPPF – office uses that are not in accordance with the Development Plan. Applications that are likely to have a significant adverse impact should be refused.
- 4.29 Annex 1 of the London Plan identifies a network of town centres across five categories (Policy SD8); International, Metropolitan, Major, District and Local and Neighbourhood. Within the catchment of the Murphy's Yard site – within our sequential site 'area of search' – the retail hierarchy comprises just Kentish Town District Centre. Further afield, and serving different catchment areas, are Hampstead, West Hampstead and Finchley Road/Swiss Cottage district centres, and Camden Major Centre. The



definitions for each level of the London town centre hierarchy are set out in Annex 1 of the London Plan and they are as follows:

- **Metropolitan Centres** – serve wide catchments which can extend over several boroughs and into parts of the Wider South East. Typically they contain at least 100,000 sqm of retail, leisure and service floorspace with a significant proportion of high-order comparison goods relative to convenience goods. These centres generally have very good accessibility and significant employment, service and leisure functions. Many have important clusters of civic, public and historic buildings.
- **Major Centres** – typically found in inner and some parts of outer London with a borough-wide catchment. They generally contain over 50,000 sqm of retail, leisure and service floorspace with a relatively high proportion of comparison goods relative to convenience goods. They may also have significant employment, leisure, service and civic functions.
- **District Centres** – distributed more widely than Metropolitan and Major centres, providing convenience goods and services, and social infrastructure for more local communities and accessible by public transport, walking and cycling. Typically, they contain 5,000–50,000 sqm of retail, leisure and service floorspace. Some District centres have developed specialist shopping functions. *Kentish Town is defined as a district centre.*
- **Neighbourhood and more local centres** – typically serve a localised catchment often most accessible by walking and cycling and include local parades and small clusters of shops, mostly for convenience goods and other services. They may include a small supermarket (typically up to around 500 sqm), sub-post office, pharmacy, laundrette and other useful local services. Together with District centres they can play a key role in addressing areas deficient in local retail and other services.

4.30 The London Plan (2021) is informed by two reports; the 2018 London Town Centre Health Check, and Consumer Expenditure and Comparison Goods Retail Floorspace Need in London report (2017). The outputs conclude that ‘taking into account projected growth in household, commuter and tourist spending, retailers making more efficient use of existing space, and special forms of trading, it is estimated that London could have a baseline need for additional comparison goods retailing of around 1.6 million sqm over the period 2016-2041, or 1.2 million sqm when current schemes in the planning pipeline are taken into account.’

4.31 Annex 1 of the London Plan also sets out the ‘commercial growth potential’ of each town centre in the hierarchy providing strategic guidance on the broad future direction envisaged for the network of town centres (either high, medium or low growth). Kentish Town District Centre falls within the lowest tier:

- **Low Growth** – town centres that are encouraged to pursue a policy of consolidation by making the best use of existing capacity, either due to (a) physical, environmental or public transport accessibility constraints, or (b) low demand.

4.32 Annex 1 of the London Plan also sets office guidelines where specific approaches to offices is considered, with Kentish Town District Centre categorised as ‘B’:

- **B. Mixed-use office potential** – These centres have the capacity, demand and viability to accommodate new office development, generally as part of mixed-use developments including residential use.



Camden Local Plan (2017)

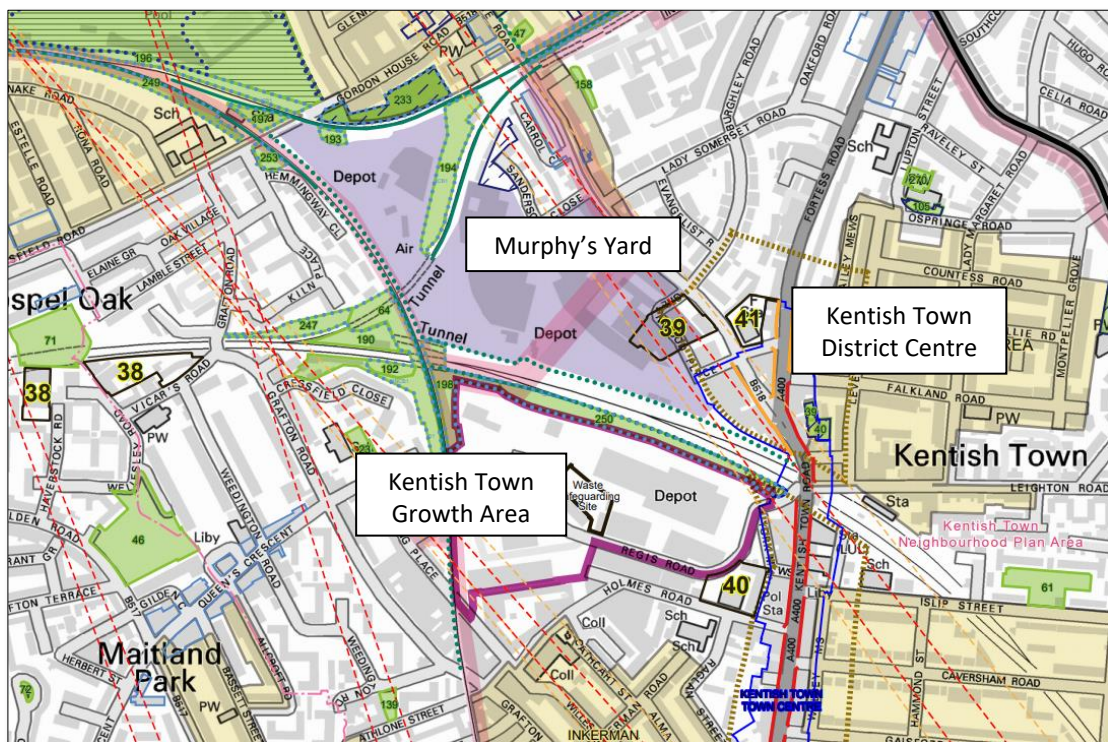
- 4.33 The Camden Local Plan was adopted on 3rd July 2017 and sets the planning policy context for the Borough. The Site is allocated as an 'Industry Area' – the 'Kentish Town Industry Area'. The Local Plan sets out that Camden will seek to reduce inequality through training and apprenticeship schemes and affordable space for small and medium-sized enterprises (SMEs) managed by businesses, higher education institutions and the third sector, secured by S106 agreements.
- 4.34 Policy E1 seeks to secure a successful and inclusive economy in Camden by creating the conditions for economic growth. In particular, Policy E1 supports businesses of all sizes, in particular start-ups, and small and medium-sized enterprises; and seeks to maintain a stock of premises that are suitable for a variety of business activities, for firms of differing sizes, and available on a range of terms and conditions for firms with differing resources. The policy aims to support Camden's industries, including the safeguarding of the 'Kentish Town Industry Area'.
- 4.35 Paragraph 5.46 states that the Council will retain the Kentish Town Industry Area for industrial and warehousing uses, by resisting any proposals that would lead to the loss of sites in Use Classes B1(b) (now E(g)(ii)), B1(c) (now E(g)(iii)), B2 and B8 and sui generis uses of a similar nature. It is recognised, however, that parts of the Kentish Town Industry Area is in low density employment use, and that the Council will consider higher intensity redevelopment proposals. The Local Plan emphasises that redevelopment proposals for the Industry Area will be assessed in accordance with Policy E2.
- 4.36 Policy E2 emphasises that the Council will encourage the provision of employment premises and sites in the borough. The policy confirms that the Council will consider higher intensity redevelopment of premises or sites provided the proposed premises a) include floorspace suitable for start-ups, small and medium-sized enterprises, such as managed affordable workspace where viable; b) that the scheme includes other priority uses such as housing; and c) that any larger redevelopment is part of a comprehensive scheme.
- 4.37 Paragraph 5.17 notes that Camden is experiencing significant change with substantial population growth and increases in demand for housing and employment. Paragraph 5.18 states that the Council will promote the identified growth sectors that are particularly attracted to Camden, recognising the contributions they make to the Camden economy and beyond. These include 'professional and business administration', 'the creative industries' and the 'knowledge quarter and science growth sector'. An increase in the number and diversity of sites and premises across the borough to suit different needs is considered vital to maintaining and developing Camden's successful economy (para.5.35).
- 4.38 Policy E1(f) directs new office development to the growth areas, Central London, and the town centres in order to meet the forecast demand of 695,000sqm of office floorspace between 2014 and 2031. Supporting text confirms that the majority of demand will be met at King's Cross and Euston, and to a lesser extent Camden. The town centres of Swiss Cottage, Kilburn and Kentish Town are identified as having an important role for businesses that provide local services, and although these areas are not expected to experience an increase in demand for office space, the Council will seek to protect existing offices in these locations (para. 5.25-5.27).
- 4.39 The Council has introduced 'Article 4 Directions' to remove the right to convert offices to homes without planning permission across much of the borough, including Camden Major Centre and Kentish Town District Centre. The Local Plan notes that demand linked to rising residential values is strong, risking the loss of employment premises across the borough. The full extent of Kentish Town District Centre falls



within an Article 4 Direction boundary (**Appendix 1**). We discuss the composition and supply of office space in Kentish Town later in this report.

- 4.40 Section 9 of the Local Plan addresses *Town Centres and Shops*, listing the main centres as Camden, Finchley Road/Swiss Cottage, Hampstead, Kentish Town, Kilburn High Road and West Hampstead – all defined as *'Town Centres'* in the hierarchy. The Local Plan also identifies 37 Neighbourhood Centres; a number of which surround the Site, including Highgate Road, York Rise/Chetwynd Road, Fortress Road, Mansfield Road, Queens Crescent, and Brecknock Road/York Way. Kentish Town centre adjoins the Murphy's Yard site to the south east (Figure 4.1 below).
- 4.41 *Policy TC1* distributes the quantity and location of new retail, with significant floorspace being directed to the 'Growth Areas' of Kings Cross/St Pancras, Euston, Tottenham Court Road, Holborn and West Hampstead Interchange, and a limited provision as part of redevelopment of the Kentish Town Growth Area (Figure 4.1). Camden Town Centre and the Tottenham Court Road Central London Frontage are expected to accommodate any significant additional retail floorspace, with any additional directed to the smaller town centres and other Central London Frontages. Policy TC1 confirms that the Council will require an *impact assessment* for all retail development proposals over 2,500 sq m gross.

Figure 4.1: Murphy's Yard, Kentish Town centre and the Kentish Town Growth Area



- 4.42 *Policy TC2* seeks to promote successful and vibrant town centres through maintaining a strong range of shops, services, food, drink, and entertainment. Primary retail frontages are protected for the provision of a strong level of shops, with secondary areas protected for shops, services and leisure uses. Offices are not highlighted as being necessary to enhance the vitality, viability and vibrancy of town centres.
- 4.43 *Policy TC3 seeks to retain local shops outside centres*, recognising the importance of the many individual shops, cafes and small shopping and service parades which complement the role of larger town and



neighbourhood centres. They provide for the day to day needs of the local population, workers and visitors, and play an important social role in the surrounding community, as well as contributing to the character and identity of the local area. This is consistent with the Good Growth concept underpinning the London Plan and aspiration for strong and inclusive communities.

- 4.44 *Policy TC5, Part C*, encourages the occupation of shops by independent businesses and the provision of affordable premises. Supporting Paragraph 9.51 outlines that a provision of small units suitable for small and independent businesses (less than 100 sqm gross floorspace) will typically be sought for large retail developments over 1,000 sqm, depending on the character and function of the centre.

Kentish Town Neighbourhood Plan (KTNP) (2016)

- 4.45 Murphy's Yard is addressed in the Spatial Policies section of the KTNP, which supports proposals for intensification of the site through continuing industrial uses and additional mixed use development including residential, office space, community uses, open spaces and other associated uses. A mixed use approach to the site is supported to ensure the continuing viability of industrial uses.
- 4.46 Policy SP2 states that, where possible, development should increase the level of employment opportunities including the growth of small and start-up businesses. Policy SW1 'supports small business', confirming that the KTNP supports the retention and increase of floorspace for the use of small businesses. Supporting text seeks to support and strengthen Camden policy DP13 to retain and increase small business and office floorspace.

Dartmouth Park Neighbourhood Plan (DPNP) (2020)

- 4.47 The Plan sees the Murphy's Yard site as an opportunity to enhance the Dartmouth Park area with a sensitively designed scheme for a mix of residential and a range of more flexible office space, community uses, open spaces and other associated uses. Guidance is given on land use, building heights, site capacity and density, access and movement, building design, environmental considerations, housing and process.
- 4.48 Policy CE4 supports employment activities, and encourages a thriving multi-use neighbourhood which includes a range of employment activities. Policy CE4 also resists the loss of existing offices and supports the provision of affordable workspaces and serviced meeting spaces. The DPNP also encourages 'small workspaces to serve the needs of local businesses' and 'some increase in employment floorspace to replace that recently lost nearby, such as the studios and offices in Linton House' as part of the Murphy redevelopment at paragraph 9.21.

Camden Local Plan Site Allocations Review - DRAFT (2020)

- 4.49 Camden Council has recently consulted on a new Site Allocations Local Plan for Camden ('Draft 2020 Site Allocations'). Policy KT3 allocates Murphy's Yard for comprehensive employment-led redevelopment that provides a mix of uses including industry and other employment uses, permanent self-contained homes, open space, and community facilities. Development must intensify industrial provision to ensure no overall net loss, and provide for other high density employment uses reflecting existing local business clusters and Camden's growth sectors.
- 4.50 Policy KT3 adds that development must also use efficient design to allow intensification and co-location of employment uses with a significant amount of housing and with other proposed uses. Supporting text acknowledges the potential for the comprehensive redevelopment of the Murphy site to create a



vibrant new mixed-use area, taking the opportunity for significant intensification of industrial and other employment uses alongside the introduction of a substantial number of homes, open space and community uses.

- 4.51 Paragraph 8.41 confirms that a higher density redevelopment scheme for solely industrial and warehousing uses is not the Council's preferred approach as it would not maximise the significant benefits that a mixed-use scheme would deliver for the area, the borough and local residents, and would also not reflect community aspirations as set out in the two neighbourhood plans. The intensification of employment uses is encouraged to provide high-quality modern, flexible employment spaces, and significantly increase the number of jobs on the site.

Other Material Considerations

Kentish Town Planning Framework (July 2020)

- 4.52 The Kentish Town Planning Framework sets out the vision and objectives for future development in Kentish Town. The framework area includes the Murphy's Yard and Regis Road (Kentish Town Growth Area, Fig.4.1 above) sites, as well as areas immediately adjacent. It is supporting planning guidance and has weight in the decision making process.
- 4.53 The overall aspiration for the framework area is to provide an innovative new neighbourhood – 'a richly layered and characterful place that is an exemplar for mixed-use. A place that works hard, with intensive industrial, commercial and creative activity, harmoniously provided alongside high quality homes that support a diverse local community'. The key objectives include:

Employment-led mixed use development:

- Provide a significant number of new jobs and increase commercial floorspace;
- Provide innovative and sustainable industrial floorspace that achieves higher densities, allows for co-location of uses and supports the Central Activities Zone;
- Grow the existing cluster of creative, cultural and tech industries;
- Provide inclusive community facilities to support the local community;
- Include cultural and entertainment uses that enrich and complement the existing offer of Kentish Town.

A strong local economy:

- Support the success of small, medium and start-up businesses with the right type of floorspace including affordable work space;
- Ambitious training and employment strategy providing genuine opportunities for local people and tackling inequality.

New homes that meet need:

- Deliver in the region of 2,000 new homes across the framework area including the Murphy site, Regis Road area and surrounding sites.

- 4.54 For Murphy's Yard, the intensification of industrial land is identified as creating an opportunity to provide a new type of more efficient industrial space that can better serve a CAZ supporting role, whilst



responding to the particular site constraints, in particular access challenges. The comprehensive development of the framework area is intended to provide a socially mixed place that builds on the diverse community and distinctive character of Kentish Town, bringing residents, workers and visitors together with space and facilities to relax, interact and enjoy those cultural activities and events on offer.



5. Sequential Approach

- 5.1 Planning policy requires the sequential approach to site selection to be applied for 'main town centre uses' (which includes offices) that are not in an existing centre or in accordance with an up to date development plan. This means, wherever possible, seeking to focus new development within, or on well-connected sites on the edge of existing defined town centres.
- 5.2 The Site occupies an edge-of-centre location for the purposes of planning policy, being within 300 metres of the edge of Kentish Town 'town centre'. Whilst the sequential approach seeks to focus such development in town centres, it does not preclude sites coming forward if no in centre opportunity exists. In this case, the site adjoins the boundary of the town centre and is 'well-connected', demonstrating the ability to create strong linkages and footfall circuit.
- 5.3 Intensification and mixed-use development on the Site is also supported in the most up-to-date development plan policy. The Kentish Town and Dartmouth Park Neighbourhood Plans support intensification of the Site beyond just industrial, and also the introduction of a wider vibrant mix of uses to include residential, offices and other supporting floorspace. Consistent with these adopted development plan documents, the Draft 2020 Site Allocations supports intensification and employment led redevelopment that provides a mix of uses including homes, open space and community uses.
- 5.4 Responding to the evolving policy position and recognised development potential, the vision for Murphy's Yard is a diverse and inclusive neighbourhood with new homes, neighbourhood and community facilities and services, and new offices in the form of modern and flexible workspace. The commercial strategy and focus of the scheme has always been to create a new and diverse neighbourhood in this part of London, comprising a sustainable residential and business community.
- 5.5 Paragraph 011 of the PPG supports this position, stating that use of the sequential test should recognise that certain main town centre uses have particular market and locational requirements which mean that they may only be accommodated in specific locations.
- 5.6 In this case, the proposals are very much 'site specific' and inter-related, and have been curated specifically to respond to the opportunities presented by the composition and location of the Site:
- The office floorspace (alongside industrial uses) is key to ensure the future viability of the industrial floorspace. The successful employment led intensification of the site will also support the growth sectors, providing much needed 'start-up' and 'move-on' space, thus retaining investment and growing businesses in the borough.
 - The proposed retail, leisure and community uses are vital to ensure the creation of a diverse, strong and inclusive neighbourhood that promotes social integration, and rejects social isolation. The proposals are not 'retail led', but rather the retail and leisure floorspace is supportive and ancillary to the main uses on the site; serving the needs of the new residential and employment community being created.
- 5.7 The proposals respond to the physical and economic opportunities and policy aspiration for the Site, and they can only be accommodated in this specific location. The proposed retail and office floorspace is integral to the comprehensive and mixed-use development of the Murphy's Yard site and, as it will only come forward as part of the wider redevelopment of the Site, it is not relevant or necessary to consider the potential to accommodate this floorspace as a separate entity in nearby centres.



- 5.8 Established *case law* supports this locational position, and provides clarity on the interpretation of the NPPF's requirement for the demonstration of suitability and flexibility when considering alternative sites for a proposed development.
- 5.9 The Supreme Court Case involving *Tesco and Dundee Council* (2012) dictates that a site must be suitable to deliver 'the development proposed by the applicant'. The Judgement confirms that the sequential approach must be applied for use in the 'real world'. The question is 'whether the alternative town centre site is suitable for the proposed development, not whether the proposed development could be altered or reduced to that it could fit in to it'.
- 5.10 The Judgement adds that 'it is the proposal for which the developer seeks permission that has to be considered when the question is asked whether no suitable site is available within or on the edge of the town centre'. 'The issue of suitability is directed to the developer's proposals, not some alternative scheme which might be suggested by the planning authority'.
- 5.11 The application of the sequential test was provided further clarification by the Inspector in his report (to the Secretary of State) recommending the grant of planning permission for proposed retail development at Rushden Lakes (PINS reference APP/G2815/V/12/2190175). In particular, the matter of disaggregation – or the potential to sub-divide component parts of a proposal to different sites – was given due consideration, and consequently dismissed as a policy requirement. Paragraphs 8.47 of the Inspector's report states that:
- "There is no longer any such requirement stated in the NPPF...Had the Government intended to retain disaggregation as a requirement it would and should have explicitly stated this in the NPPF. If it had been intended to carry on with the requirement then all that would have been required is the addition of the word 'disaggregation' at the end of NPPF."*
- 5.12 The Secretary of State agreed with the Inspector in respect of the above. In the Scotch Corner Secretary of State Decision in December 2016 (APP/V2723/V/15/3132873 & APP/V2723/V/16/3143678) the Inspector found:
- "In carrying out the sequential test it is acknowledged that whilst Framework paragraph 24 indicates that applicants should demonstrate flexibility on issues such as format and scale, it does not require the applicant to disaggregate the scheme. The sequential test seeks to see if the application, i.e. what is proposed, can be accommodated on a town centre site or on sequentially preferable sites..." (IR paragraph 11.7)*
- 5.13 The above views were supported most recently by the Cribbs Causeway Secretary of State Decision and Inspector's Report in October 2018 (APP/P0119/V/17/3170627), which confirms that there is no requirement to disaggregate.



6. Assessment of Impact

6.1 This section considers the impact of the proposed office and retail/leisure floorspace on Kentish Town centre. The breakdown of floorspace composition is detailed in Section 3, with the quantum summarised as follows:

- Office: 34,500 sq m GEA (maximum)
- Retail/Food and Drink: 5,150 sq m GEA (maximum)

Policy Framework

6.2 As detailed in Section 4:

- Murphy's Yard adjoins the northern end of Kentish Town centre boundary, and is less than 300 metres from both the Primary Shopping Area and the Town Centre boundary. *Murphy's Yard is an 'edge-of-centre' site* for the purposes of the retail and office impact assessment; the site is *'well-connected'* to the town centre.
- The Site is allocated in the Adopted Local Plan as an 'Industry Area' – the '*Kentish Town Industry Area*' – and is considered a Locally Significant Industrial Site (LSIS) within the London Plan. The adopted Local Plan does not allocate the Site for offices or retail/leisure uses.

6.3 Paragraph 89 of the NPPF confirms that when assessing applications for *retail and leisure development* outside town centres, which are not in accordance with an up-to-date development plan, LPA's should require an impact assessment if the development is over a proportionate, locally set threshold. If there is no locally set threshold, the default threshold is 2,500 sq m gross. Policy TC1 of Camden's Local Plan confirms that the Council will require an impact assessment for all retail development proposals over 2,500 sq m gross.

6.4 Contrary to advice set out in the NPPF, Policy SD7 of the London Plan (Town Centres) requires an impact assessment on proposals for new, or extensions to existing edge or out-of-centre development for *retail, leisure and office uses* that are not in accordance with the Development Plan. Unlike the NPPF, the policy requirement includes 'office floorspace'. Policy SD7 adds that only applications that are likely to have a significant adverse impact should be refused.

6.5 The policy framework confirms that the office and retail/leisure floorspace forming part of the Murphy's Yard proposals are 'edge-of-centre', above the national and locally set impact threshold, and contrary to the adopted Local Plan site allocation. In this context, *an impact assessment is required* for the proposed retail, leisure and office floorspace.

6.6 Nevertheless, it should be highlighted that policy has more recently evolved in support of a greater intensification of the Site and a wider vibrant mix of uses – whilst continuing to protect its industrial role. Two adopted Neighbourhood Plans form part of the Development Plan, and – together with the Draft 2020 Site Allocations and Kentish Town Planning Framework – they confirm the Council's most up-to-date vision and approach to development on the Site:

- The adopted **Kentish Town Neighbourhood Plan** supports mixed use development including residential, offices, community, open space and other uses whilst protecting the industrial role of the Site.



- The adopted **Dartmouth Park Neighbourhood Plan** recognises Murphy's Yard as an opportunity to enhance the Dartmouth Park area with a sensitively designed scheme for a mix of residential and employment.
- The **Camden Local Plan Site Allocations Review (Draft) (Draft 2020 Site Allocations)** confirms that a higher density redevelopment scheme for solely industrial and warehousing uses is not the Council's preferred approach as it would not maximise the significant benefits that a mixed-use scheme would deliver for the area. Policy KT3 allocates the Site for comprehensive employment-led redevelopment that provides a mix of uses including industry and other employment uses, permanent self-contained homes, open space, and community facilities. Higher density employment uses reflecting existing local business clusters and Camden's growth sectors must be supported.

Structure

6.7 In the context of an evolving policy framework, we set out below the office and retail impact assessment, structured as follows:

- Review of the office and retail role of Kentish Town centre in terms of accommodation supply, health and vitality and viability; drawing on the Camden Employment Land Study 2014 and the Camden Retail and Town Centre Study 2013;
- Review of the Commercial Markets and Murphy's Yard Commercial Strategy in order to understand supply, demand and trends in the local Kentish Town area, and also the composition of proposed floorspace to enable the impact of the scheme to be undertaken;
- Office Impact Assessment, having particular regard to Kentish Town centre;
- Retail and Leisure Impact Assessment, having particular regard to Kentish Town centre.

Kentish Town Centre

6.8 Kentish Town is defined as a District Centre in the London Plan, providing convenience goods and services, and social infrastructure for more local communities. The London Plan identifies the district centre as having 'low' commercial growth potential, but that it does have the capacity, demand and viability to accommodate new office development, generally as part of mixed-use developments including residential use.

6.9 The Camden Local Plan identifies that Kentish Town centre does have an important role for offices/businesses that provide local services (legal/accounting/professional), although adds that the centre is not expected to experience an increase in demand for office space. In order to protect existing floorspace for local business services, the Council introduced an Article 4 Direction covering the full extent of the district centre boundary, removing permitted development from offices to residential uses.

Employment Land Study, 2014

6.10 The Study defines the 'Outer LB Camden Office Market' area as being characterised by the predominantly residential areas of Kentish Town, Finchley Road/Swiss Cottage, Hampstead, West Hampstead and Kilburn. As well as the retail and leisure offer, the study recognises the provision of office accommodation within these centres as being largely for professional businesses including legal, accounting, property and consulting – serving predominantly local markets. Many are located on the



aged upper floors of high street retail properties, and there is very little corporate office activity linked to the central London area.

- 6.11 The Study notes that Kentish Town has a low concentration of office activity, and that which exists is generally older, spread more thinly and is occupied by businesses catering for local needs. The most imposing building was Linton House – outside the town centre boundary to the north – but this has since been converted into residential uses. The 2008 Employment Land Study recognised the dearth of office buildings in the area, and the apparent lack of demand for new office space, particularly from the larger, corporate sector. The 2014 Study and our own more recent on-site observations observe that little has changed in this respect.
- 6.12 Since 2014, the demand for office space has changed in respect of the business, space and flexibility of floorspace required. Today, this highlights the difficulties of Kentish Town centre in meeting the scale of supply from the growth sectors within old, sub-standard and tightly configured rooms on the upper floors of high street retail shops along the main high road. Whilst this type of space is important to continue to service local professional and business services, and is protected by an Article 4 Direction, it is not suitable in meeting the modern requirements of the employment growth sectors so prevalent in the borough.

Camden Retail and Town Centre Study, 2013

- 6.13 Kentish Town is defined as a centre providing a 'day to day' shopping offer serving local needs, pitched towards the mid to low end of the market. The centre has around 180 retail units, and c.30,000 sq m of floorspace. Vacancy rates have been historically low, although marginally higher in the secondary shopping areas – leading to the conclusion that the centre may benefit from concentration into a smaller area. The town centre was concluded to be performing well in the convenience and service sectors, offering 4 small foodstores and a number of good quality multiple and independent cafes and eating/drinking businesses.
- 6.14 The centre does experience road traffic, although there has been significant investment in the public realm and shop fronts in more recent years leading to a more pleasant shopping environment. More recent survey data identifies a vibrant town centre and a strong representation from good quality café and restaurant operators, and the continued operation of Sainsbury's, Co-Op, Lidl, Tesco and Iceland. The centre has a strong convenience and service sector – above the national average – but a limited comparison goods offer, below the national average.
- 6.15 The strong mix of convenience and service operators serve a local market, with many businesses promoting a 'linked trip' shopping culture, i.e. food shopping, coffee shop, banks, hairdressers, chemists, estate agents and dentists. There is a limited comparison goods shopping offer. Overall, the town centre is concluded to be vibrant and healthy and performing within its intended role.

Commercial Strategy and Markets Report, April 2021

- 6.16 The commercial markets in respect of office, retail and leisure floorspace, and a more in-depth understanding of the Murphy's Yard Commercial Strategy, form an important consideration and input to our impact assessment.
- 6.17 Hedge, Cushman & Wakefield and 'AND' prepared the Murphy's Yard Commercial Strategy Report ('commercial report' from hereon), published in May 2021 on behalf of the applicant, Folgate Estates



Ltd. The commercial report forms part of the planning application submission and should be read alongside this Retail and Office Sequential Site and Impact Assessment.

- 6.18 Providing commercial office, retail and leisure market real estate intelligence, the report sets out the commercial strategy for Murphy's Yard. Of relevance to our assessment of impact, the report also provides detailed commentary on the current health of the commercial markets in LB Camden in respect of supply, trends and future demand, providing specific insight to Kentish Town and its location within London's Northern Fringe.
- 6.19 We have drawn on the findings of the commercial report to inform our assessment of office and retail impact on Kentish Town centre, and the extent to which new commercial development at Murphy's Yard might impact on the vitality and viability and performance of the centre. We provide a broad overview of the points of relevance from the commercial report below.

Current Site Utilisation

- 6.20 The commercial report notes that the Murphy's Yard site is currently home to the J. Murphy & Sons Group, having been based in Kentish Town for 57 years. The Site is the headquarters for the Group, and provides circa 200 full time roles on site that will be retained post development as part of the new scheme. However, the report concludes that the Site is currently under-utilised and offers 'a once in a generation opportunity to deliver major regeneration for the area; creating thousands of new jobs and homes for Londoners'.
- 6.21 Many of the current operational areas are underused and offer only surface level yard space, whilst on-site warehouses have reached the end of their economic lifespan and are no longer fit for purpose for modern business practices. The site is very low density and presents a major opportunity to deliver innovation, particularly within the industrial sector where the site will deliver central London's first major stacked industrial building alongside significant ground floor maker and light industrial space.

Camden Commercial Data

- 6.22 The commercial report sets out that Camden is 'rapidly becoming the engine room for the UK economy and is the third biggest financial contributor to the London economy after the City of Westminster and the City of London'. The report makes the following points, demonstrating the strength, robustness and future potential of the Borough economy, underpinned by dynamic schemes such as Murphy's Yard:
- The Office for National Statistics estimated that Camden contributed £32.3 billion to the national economy in 2016, an increase of 59% on the figures from 2008. The Camden economy is growing faster than the Central London economy (39%), the Greater London economy (34%) and the UK economy (23%). Camden is the third highest contributor to GVA in London after Westminster (£59.1 billion) and the City (£49.2 billion). Camden contributes 7.9% of all of London's total GVA.
 - The Borough has a good spread of businesses across all enterprise types, ranging from large employers to micro enterprises and small to medium sized enterprises (SMEs). Many of these businesses specialise in highly skilled, high value employment such as those in professional, scientific & technical and information & communication sectors.
 - Camden is home to the second highest number of businesses in London after Westminster and is third highest in the UK. There were 34,745 enterprises registered in total in Camden in 2018. This is a 5% increase on 2017 and the Borough has grown 44% since 2008. Camden accounts for 6.1% of



all London local business units. Camden has the third highest number of businesses in the UK after Westminster and Birmingham.

- There were 5,765 business 'births' (new enterprise start-ups) in Camden in 2017 (the latest available records), a 5% decrease on 2016. This is the third highest business births figure in London after Westminster (8,260) and the City (5,905). Camden also outperforms key economic and start-up clusters such as Hackney on annual business births.

Commercial Strategy

- 6.23 The commercial report recognises that Camden is London's most dynamic business location and is internationally recognised as being at the cutting edge of science, culture, creativity and tech, but also has a strong tradition of making, manufacturing and industry. The different sectors are currently located in distinct silos, separated by location and sector around the Borough, but the Murphy's Yard scheme provides a unique opportunity to create a new connectivity in one dynamic, innovative, interconnected location. The USP is the mix of industrial, maker and office in one location.
- 6.24 The *office component* will be a flexible mix of space that can accommodate a variety of different requirements. The space has been designed so it is adaptable and can accommodate different typologies ranging from leasing on either a floor by floor basis or splitting individual floors to SME occupiers, seeking move-on space, co-working, or larger office requirements.
- 6.25 An important consideration in the development of the commercial strategy is recognising that a number of businesses in the Borough, and particularly Kentish Town, are high growth and rapidly expanding SMEs. A key component of office space will be to create 'move on space' for these types of businesses. In a market with a shortfall of flexible space, Murphy's Yard will enable operators to develop within the scheme in a supportive environment that encourages and supports high growth businesses; those who often struggle to accurately predict the future headcount and what size of commercial space they will require in the near future.
- 6.26 A unique feature is that businesses will be able to grow seamlessly within the campus from start-ups in co-working and managed studio spaces and move on space for larger local businesses. They will manage their business growth and commercial requirements to 'move-on' within the development through different types of space, up to potentially occupying their own building in the future. The design of space and commercial strategy are key to retaining businesses in the Borough, where previously they have often been lost due to lack of suitable space.
- 6.27 The proposals have curated a clearly defined *retail and leisure offer* within Murphy's Yard, underpinned by the intention to have a positive impact on Kentish Town High Street, helping to create additional footfall and business and a thriving high street. The strategy devised for Murphy's Yard is to ensure that the scheme does not compete with Kentish Town centre, avoiding the creation of a rival location that might impact its vitality and viability. The current high street offer is based within predominantly Victorian buildings, and the public realm is narrow and busy with vehicular traffic offering limited opportunity for people to stop and linger, socialise and rest.
- 6.28 The strategy is to promote a complementary offer, avoiding retail that creates a rival shopping area, and focusing on convenience retail and food and beverage (F&B) that offers a point of difference and would not or could not be based on the High Street. The scheme will have a small quantum of convenience retail to support residents and the businesses that move to Murphy's Yard, including a small convenience store, but overall the Murphy's Yard scheme is focused predominantly on food and



beverage and a small range of everyday retail services to ensure a truly sustainable new community. Uses might include, for example, a pharmacy, dry cleaners, hot food take-away, florist and newsagents. Comprising around 10 units in addition to the foodstore, cafes and restaurants, this strategy does not create destination 'high street' retailing and shops; and does not compete with Kentish Town centre which has around 180 retail units.

- 6.29 The commercial report highlights the curated leisure offer that will include the Murphy's Warehouse 'Shed 2' as a destination for the whole community, along with other carefully selected food and drink venues 'that will build on the areas reputation as a place where business, leisure and community come together in an important new neighbourhood for London'. The scheme will have a focus on interesting independent businesses and local food and drink heroes, forming an exciting 'street food' vibrancy in and around Shed 2. Shed 2 event space will attract visitors into the area who will undertake linked trips to the F&B offer also.
- 6.30 Alongside street food, restaurants and café spaces, the commercial report confirms that the warehouse space will offer events and community activities. The offer will be complementary to Kentish Town High Street and will play an important role in energising the wider town centre offer and creating a vibrant and sustainable high street that encourages footfall and creates important connectivity and the development of an enhanced circuit that increases visitors and dwell time. The local community and visitors into the area will undertake linked trips between Kentish Town high street and Murphy's Yard given proximity and transport interchange location.

Office Market

- 6.31 The commercial report expects a quick and robust office market recovery in the second half of 2021 following Covid-19 as a consequence of 'on-hold' decision making and pent up demand. Covid-19 did not come at a good time for the Northern Fringe submarket, which was supply-heavy at the end of Q1 2020, with leasing volume halving compared to 2019 during the subsequent months of the pandemic. Nevertheless, the commercial report is confident that any impact on vacancies will be short-term and not too severe with the average size of new lease deliveries being just over 20,000 sq ft and buoyant.
- 6.32 The Northern Fringe is in a strong position for post Covid-19 recovery, building on the rapidly expanding and dominant 'tech, media and telecoms' (TMT) sector which outperformed average London rental growth in recent years. The region has benefitted from key geographic influences including the 'Northern Corridor' (Marylebone to Pentonville Roads), the standalone impact of the Kings Cross Argent scheme, and the emerging global knowledge super-hub known as 'The Knowledge Quarter'. It is important to look through the immediate set of post pandemic circumstances, with predictions of a robust recovery.
- 6.33 The Kentish Town submarket is concluded to be considerably under-supplied with office stock when compared to neighbouring office sub-markets. Available office stock is in short supply, with only 1 current opportunity above 10,000 sq ft – a ground floor within Highgate Studios, just outside the town centre boundary. The over-riding issue facing all growth businesses in Kentish Town is the dearth of good quality, large, 'move-on' space, meaning businesses which are scaling quickly are unable to commit their long-term future to the area and therefore often need to seek their next headquarter move in a different location.
- 6.34 It is clear that there is a general lack of good quality, fit-for-purpose office stock within Kentish Town. The commercial report presents several case studies of businesses that have had to leave Kentish Town



in the absence of the opportunity to 'upscale' from their smaller scale SME type business space. Examples are also provided of comparable Murphy's Yard type office proposals, which are hugely successful and, historically, present very low vacancy rates.

Retail, Leisure and Hospitality Market

- 6.35 The Report recognises that the London food and restaurant sector is very much in a state of flux, particularly since the start of the pandemic which has meant much of the sector has been shuttered for much of the last year. The sector has been challenged by the increased costs of business rates, staff, resources and rents, as well as the popularity of apps such as Deliveroo and UberEats. Consumer tastes are rapidly changing and customer loyalty to brands is low.
- 6.36 Murphy's Yard will not be a Michelin star fine dining experience; it is a location for innovative but casual dining that meets the requirements of a diverse community of workers for lunch and early evening and provides vibrant neighbourhood dining for residents who will live in or around Murphy's Yard. For the location to be viable and sustainable, operators will need a significant volume of workers based at Murphy's Yard to ensure a strong volume of trade throughout the whole day – lunch through to evening.
- 6.37 The Report is confident that the location will be able to support an interesting food and beverage offer, based on the fact that Shed 2 will become an established street food location. The commercial strategy recommends only 2 or 3 large format restaurant spaces to avoid over-saturation in the local area, and advises these are clustered around Shed 2 to ensure maximum visibility. Additional cafes are considered key to the building of a new local community, and at least two are recommended across the site, focusing on independent operators and potentially 'make-on site' coffee roastery's to reflect the sites industrial heritage.
- 6.38 In this era of a multiple choice of restaurant and food markets, it is important to keep places fresh and exciting with regular opening and opportunities for new operators to bring ideas and concepts to the scheme and keep the line-up interesting. The Report recommends at least one unit to be 'white boxed' and let on a short and mid-term pop-up basis. Such rotations are considered to keep the offer fresh and exciting for visitors, workers and residents.

Office Impact Assessment

Policy Response

- 6.39 The detailed analysis in this and previous sections emphasise that the proposals for flexible office floorspace – to meet the needs of the clearly defined growth sectors – will not have a significant adverse impact on Kentish Town centre. **In considering the potential 'significant adverse impact'** of the proposals, and based on the analysis in previous sections, we make the following points:
- The proposals will not have a negative impact on the objectives of the NPPF. Indeed the Murphy's Yard proposals will 'create the conditions in which businesses can invest, expand and adapt'. The investment will respond directly to local business needs and support economic growth and productivity. Consistent with the objectives of the NPPF, the proposals will improve the economic, social and environmental conditions of the area. (Ref: NPPF, para's 8, 38 and 80). *The office floorspace proposals are consistent with, and will support, the objectives of the NPPF.*



- The proposals will not have a negative impact on the intended London Plan 'policy role' of Kentish Town *District Centre*. The expected role and function of a district centre is clarified in the London Plan (Annex 1), confirming they are typically expected to contain retail, leisure and service floorspace – not offices. Within the defined policy boundary, Kentish Town District Centre is not expected to perform the role of an 'office' destination within the hierarchy of town centres. *The office proposals will not have an adverse impact on the policy defined role of Kentish Town District Centre, which should instead focus on retail, leisure and service uses.*
- The proposed office floorspace is entirely consistent with the most up-to-date development plan policy, with the Kentish Town Neighbourhood Plan, the Dartmouth Park Neighbourhood Plan, and the Draft 2020 Site Allocations, all supporting the substantial intensification of the site and a vibrant mix of uses to include residential, office, community, open space and other supporting uses alongside industrial floorspace. *The proposals will not have a significant adverse impact on the most up-to-date policy vision and aspiration for the Site.*
- The proposals support the aspirations and objectives of the London Plan by diversifying the office market and improving the supply of quality, flexible and adaptable office space of different sizes. The proposals have been curated in response to the restructuring of the office market, with increasing numbers of SME's, changing work styles accelerated by the Covid-19 pandemic and supported by advances in technology, and new forms of accommodation such as flexible and co-working space. *The proposals will not have a significant adverse impact on the London Plan aspiration to extend diverse office markets across London.*
- Consistent with the London Plan, the proposals are also supportive of the aspirations and objectives of the Camden Local Plan by creating the conditions for economic growth, and supporting businesses of all sizes and activities. The proposals will intensify the Kentish Town Industry Area, as acknowledged in the Local Plan, and will include other priority uses such as housing as part of a wider comprehensive scheme. *The proposals will not impact on the borough's economic strategy; it will instead support it. The proposals support the promotion of diverse office markets and the intensification of the Kentish Town Industry Area.*
- The proposals respond to current commercial office market trends, supporting the identified growth sectors that are particularly attracted to LB Camden, including 'tech, media and telecoms', 'the creative industries' and the 'knowledge quarter and science growth sector'. The proposals will promote economic growth within the borough, and provide new start-up and move-on space responding to business growth opportunities and supporting continued borough business retention. *The proposals will not impact on the borough's existing supply of traditional large floor-plate corporate office space, instead developing and expanding Camden's successful economy still further through newer, complementary growth sectors.*
- Consistent with the London Plan district centre definition, the Local Plan does not identify Kentish Town centre as a priority location for new office development; instead being recognised as having an important role for businesses that provide local services – including legal, accounting, property and consulting. This important space – largely located on the upper floors of high street shop units – is protected by an Article 4 Direction; it does not, however, meet the needs of the modern growth sectors. The 'dearth' of office space in Kentish Town is well documented. The office accommodation at Murphy's Yard will comprise very different floorplates and meet the needs of very different businesses, thus creating a complementary office market to that found on Kentish



Town high street. The proposals will be complementary and will not have a significant adverse impact on the demand for existing office floorspace in Kentish Town District Centre which meets a different type of need.

- There are no major strategic sites – or indeed smaller infill sites – coming forward for new office development ‘in’ Kentish Town ‘town centre’. There is no policy intention to support this ‘in’ the town centre moving forwards, and the primary and predominant role of the town centre will remain retail and service, with some leisure. The office floorspace proposals will not divert committed or planned investment from the town centre to an edge-of-centre location. The proposals will not have a significant adverse impact on committed or planned office investment ‘in’ Kentish Town centre.
- The proposals will not have a significant adverse impact on the intended Local Plan ‘policy role’ of the Kentish Town centre. In supporting successful and vibrant town centres, Policy TC2 is silent on the role of offices, instead focusing on a strong range of shops, services, food, drink and entertainment. The office floorspace proposals will not impact on the vitality and viability of Kentish Town centre, which instead relies and focuses on alternative uses. The primary role of Kentish Town centre is retail, leisure and services, not offices.
- The high street and Murphy’s Yard site both adjoin Kentish Town overline and underground train stations. The office proposals will generate new arrivals and footfall at the station contributing to the development of a pedestrian ‘circuit’ and linked trips with Kentish Town centre. Combined with other visitors to Murphy’s Yard and the need to access a wider mix of shopping and service goods, the Site will substantially contribute to the economy of Kentish Town centre. Office floorspace at Murphy’s Yard will contribute to the vitality and viability of Kentish Town centre.

6.40 The office floorspace proposals will bring substantial benefits to Kentish Town and the wider borough, providing much needed space for the growth sectors, and bringing new investment into the borough and retaining existing businesses through the supply of ‘move-on’ space. The scheme will facilitate the continued strong growth of Camden’s economy. Increased footfall will benefit Kentish Town centre through the creation of a pedestrian circuit and inevitable linked trips through the introduction of new and complementary uses. The high spec space will meet the objectives of the London Plan and Local Plan to provide space for diverse office markets, with supply feeding strong demand.

6.41 The analysis set out throughout this report concludes that **the office floorspace proposals will not have a significant adverse impact on Kentish Town centre**. Instead, the proposals will contribute positively to the borough-wide economic strategy and reinforce and support Camden’s continued strong economic growth.

Retail and Leisure Impact Assessment

6.42 First, we consider the impact of ‘community retail’ and secondly the impact of the food and beverage offer in Shed 2.

Community Retail (Plots C and F, and wider Masterplan Area)

6.43 The vision for Murphy’s Yard is a diverse and inclusive neighbourhood with new homes, neighbourhood and community facilities and services, and the creation of modern and flexible workspace. The proposed retail, leisure and community uses are vital to ensure the creation of a diverse and inclusive neighbourhood, enhancing social inclusion, well-being and place-making for all residents.



- 6.44 The proposals are not 'retail led', but rather the retail and leisure floorspace is supportive and ancillary to the main uses on the site; it is not the intention to create a new destination town centre. The retail and leisure floorspace will be 'self-supporting' and also complementary and different to nearby town centres.
- 6.45 The operator mix and number of units will serve the everyday 'top-up' shopping and retail service needs of the newly created local community within Murphy's Yard, and will not form a destination attracting people from further afield. Passers-by may 'stop by' at one of the cafes whilst walking along the Heathline as a consequence of improved connectivity and linkages across the Site, from Gospel Oak to Kentish Town High Street and from Kentish Town Station to Hampstead Heath.
- 6.46 Paragraph 011 of the PPG states that it should be recognised that certain main town centre uses have particular market and locational requirements which mean that they may only be accommodated in specific locations. It should therefore be recognised that the proposed retail floorspace is integral to the mixed-use redevelopment proposals and would not be delivered as a separate entity elsewhere; it is vital to ensure a vibrant new community encompassing 'active participation and social integration' and to avoid 'social isolation' within a new development which is committed to place-making.
- 6.47 The community retail floorspace could include up to a maximum of 3,650 sq m GEA, around half of which could include an indoor fitness gym and creche/nursery. Of the remaining 1,825 sq m GEA (1,460 sq m net), this could include a small foodstore (c.200-400 sq m net) and between 10-15 smaller sized units (Use Class E(a/b) and sui generis) scattered throughout the Masterplan area.
- 6.48 The retail floorspace (1,460 sq m net) will form a mix of Use Class E(a) shops, but also E(b) and sui generis cafes, restaurants and drinking establishments. Within this mix, it is anticipated that the scheme could deliver around half of the retail floorspace as E(a) shops, equating to c.730 sq m net. This is likely to comprise a small foodstore accompanied by local convenience, comparison and retail service operators. When applying a local/neighbourhood scale sales density of £3,000 per sq m net, the 'shop' floorspace would achieve an annual turnover in the region of £2.2million. This compares to a £58m convenience and comparison goods turnover of Kentish Town centre in 2023 (just 3.4%) (as forecast in LB Camden Retail and Town Centre Study 2013).
- 6.49 The proposed development includes 750-825 new homes, equating to a minimum of 1,575 new residents when applying an average occupancy of 2.1 people per unit (a 'worst case' scenario when considering economic impact). Based on an average spending per head by London residents on total comparison and convenience goods of c.£6,000, the available expenditure from the new development will be c.£9.45million. If the retail floorspace was relying solely on the new residential community, just 23% of the available expenditure from them would be required to support the anticipated level of retail floorspace to be delivered.
- 6.50 There is sufficient expenditure generated by the development itself to support the local scale of retail Use Class E(a) 'shop' provision proposed. It must be emphasised, however, that the retail floorspace will not just be supported by the new residential community and associated generated expenditure, but also new business, additional jobs, affordable workspace, and industrial, warehouse and creative uses as part of the Murphy's Yard development. The number of people visiting the site every-day for different reasons will be significant, and also include those servicing the site, visiting the event space and also those moving through the site along the 'heathline'.



- 6.51 The turnover and viability of the retail floorspace will not be solely reliant on the new residential community. The anticipated level of retail floorspace is of an appropriate scale relative to the size of the development proposed, serving the day to day needs of the future residents and workers/employees of the development. The scale of retail proposed will facilitate 'everyday essentials' shopping for the future residents, and small scale 'passer-by' trade from deliveries and employees, and will not divert significant spending or from Kentish Town. The development will instead generate additional expenditure to contribute to the health and vitality and viability of Kentish Town centre through pedestrian circuits and linked trips. The new residents will need to visit Kentish Town for their wider shopping and service needs.
- 6.52 In addition to the retail 'shop' floorspace, there will be Use Class E(b) cafes and restaurants, and sui generis hot foot take-aways. The commercial strategy recommends only 2 or 3 large format restaurant spaces to avoid over-saturation in the local area, whilst cafes are considered key to the building of a new local community, and at least two are recommended across the site, focusing on independent operators and potentially 'make-on site' coffee roastery's to reflect the sites industrial heritage. These facilities are key for place-making and a vibrant community, and will not compete with the strong concentration of good quality destinations along Kentish Town high street.

Shed 2, Ancillary Food and Beverage

- 6.53 Previous commentary highlights the curated leisure offer that will include the Murphy's Warehouse 'Shed 2' as a destination for the whole community, to include carefully selected food and drink venues 'that will build on the areas reputation as a place where business, leisure and community come together in an important new neighbourhood for London'. The scheme will have a focus on interesting independent businesses and local food and drink heroes, forming an exciting 'street food' vibrancy in and around Shed 2.
- 6.54 The sui generis floorspace in Shed 2 totals 1,500 sq m GEA, with the net floorspace equating to around 750 sq m net – just 50% of gross to allow for circulation space. Applying a similar local/neighbourhood scale sales density of £3,000 per sq m net, the 'sui generis' floorspace could achieve an annual turnover in the region of £2.3million. This is substantially less than that generated by the new residential community (£9.45m), but will also be supported by the office and industrial workforce and associated footfall, and also visitors to the event space and those passing through the site.
- 6.55 The offer will be very different to Kentish Town high street, and will create new and diverse reasons for people to visit a revitalised new neighbourhood. The sui generis uses in Shed 2 will be new, different, often transient and also complementary to that found on the more traditional high street. There will be more space to sit and relax in open, attractive communal areas – both inside and out.
- 6.56 The analysis set out throughout this report concludes that **the retail and leisure floorspace proposed will not have a significant adverse impact on Kentish Town centre**. Instead, the proposals will support a sustainable and inclusive community as part of the neighbourhood place-making strategy. The new neighbourhood will generate a substantial pool of additional expenditure to contribute to the economy of Kentish Town 'town centre' through strong linkages and footfall circuit.



7. Conclusions

- 7.1 The policy framework is entirely supportive of the application proposals. The NPPF states that significant weight should be placed on the need to support economic growth and productivity, taking into account local business needs and recognising the specific locational requirements of different sectors in suitably accessible locations. The proposed retail and office floorspace will help create a strong, vibrant and healthy community in accordance with the sustainable development agenda underpinning the NPPF.
- 7.2 The London Plan supports the creation of strong and inclusive communities with access to good quality services and amenities in order to increase active participation and social integration, and address social isolation. The London Plan encourages the development of new, flexible office floorspace to meet the different space requirements of a diverse market across London, thus meeting the demand for between 4.7 and 6.1 million sq ft of office floorspace over the period 2016-2041. In this context, the London Plan emphasises that the planning process should not compromise potential growth.
- 7.3 The Local Plan seeks to create the conditions for economic growth, supporting businesses of all sizes and incorporating a variety of business activities. The Local Plan is committed to promoting the identified growth sectors which form part of the Murphy's Yard proposals, recognising the contribution they make to the borough-wide economy. The importance of local shops outside of town centres is recognised, providing for the day to day needs of the local population, workers and visitors, and playing an important social role in a surrounding community.
- 7.4 The KTNP, DPNP and the Kentish Town Planning Framework support proposed land-uses on the site. They support intensification of the Site beyond just industrial, to also include a wider vibrant mix of uses such as residential, offices and other supporting floorspace. Consistent with the KTNP and DPNP adopted development plan documents, the Draft 2020 Site Allocations support intensification and employment led mixed-use redevelopment to include homes, open space, community uses and other supporting facilities at Murphy's Yard.
- 7.5 Sequentially, policy guidance recognises that certain main town centre uses have particular market and locational requirements. The proposed retail and office floorspace is integral to the comprehensive and mixed-use development of the Murphy's Yard site, and it will only come forward as part of the wider redevelopment of the site. It is not therefore necessary to consider the potential to accommodate the retail and office floorspace as separate entities elsewhere including in nearby centres. Case Law supports this locational position, dismissing any policy requirement to disaggregate a proposal into separate constituent parts; and supporting the consideration of a developers proposal as a whole when considering suitability and flexibility.
- 7.6 It is concluded that the proposed office floorspace will not have a significant adverse impact on Kentish Town centre. There is a recognised dearth of office accommodate in Kentish Town, with existing supply located in aged space on the uppers floors of high street retail properties and occupied by professional businesses serving predominantly local markets. Whilst the importance of this space is recognised and protected through the Article 4 Direction removing permitted development, it highlights the difficulties of the town centre in meeting the scale of supply from the growth sectors.
- 7.7 The proposals will not have a 'significant adverse impact' on the NPPF and Development Plan aspirations for the borough and Murphy's Yard site. The mixed-use scheme will support economic growth, diversify the office market and improve the supply of quality, flexible and adaptable office space of different



- sizes. The proposals have been curated in response to the restructuring of the office market, and will be complementary to the existing supply of more traditional office space on the nearby high street, targeting a very different range of businesses.
- 7.8 The proposals will not have a significant adverse impact on the intended London Plan and Local Plan policy role of Kentish Town district/town centre, or the vitality and viability of the town centre. The policy framework supports successful and vibrant town centres through the provision of retail, leisure and service uses; Kentish Town is not expected to perform the role of an office destination, and is not of the scale to offer the opportunities to do so within the tightly defined boundary.
- 7.9 The proposed retail offer will not have a significant adverse impact on Kentish Town centre. The operator mix and number of units proposed is limited and will serve the everyday 'top-up' shopping and retail service needs of the newly created community within Murphy's Yard, and will not form a destination attracting people from further afield. Expenditure generated by the new residential community is substantially greater than the proposed turnover of the proposed floorspace, which will also benefit from the inflow of expenditure from office/industrial workforce and associated footfall.
- 7.10 The sui generis uses found within Shed 2 will be very different to businesses on Kentish Town high street, creating new and diverse reasons for people to visit a revitalised new neighbourhood. The 'street-food' mix will complement the more traditional high street, providing more space to sit and relax in open, attractive communal areas, both inside and out.
- 7.11 We conclude that there are no sequentially preferable sites given the strong locational requirements of the proposed retail and office floorspace at Murphy's Yard – as part of the wider, comprehensive mixed use development. The retail and office proposals will not have a significant adverse impact on Kentish Town centre, and instead supports the vision and aspirations of the NPPF and Development Plan, introducing a raft of positive impacts for the wider area.



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