

Inspectors Luke Fleming and Kevin Ward
c/o Charlotte Glancy
Banks Solutions
80 Lavinia Way
East Preston
West Sussex
BN16 1DD

25 June 2020

Dear Inspector Fleming and Inspector Ward

Westminster City Plan 2019-2040 Examination – Respondent 79

Please find enclosed our written statements in respect on Matters 3, 4 and 5.

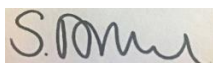
These statements have been prepared on a 'business as usual' basis. However, given that we are still in the early stages of the Covid-19 pandemic, it is very difficult at this point in time to understand what the medium and long term impacts will be on our economy and the development industry specifically. There are currently so many unknowns, yet we all acknowledge that the effects could potentially be significant.

We are particularly concerned about the long-term impacts of the pandemic on the retail, leisure, hospitality, and cultural sectors, and it remains to be seen what the impact will be on our working practices and the design of commercial floorspace. Given Westminster's key role in the London economy, and its contribution to the national GDP, it is vital that the new City Plan is sufficiently flexible to support the economic recovery.

To meet the tests of soundness, any development plan should be sufficiently flexible to be able to withstand ups and downs in the economic cycle. However, we currently find ourselves in an extreme and unprecedented situation. By the time the hearing sessions for this examination are convened, there will be more information available about the actual economic impact and predictions on recovery. For these reasons, we hope that you will afford representors greater flexibility than would normally be the case to update evidence, and present new evidence, in oral submissions at the hearing sessions to ensure that the City Plan remains sound and fit for purpose for its twenty-year timeframe.

We look forward to progressing matters with you in the hearing sessions.

Yours sincerely

A handwritten signature in dark ink, appearing to read "S. Bevan", on a light-colored rectangular background.

Sarah Bevan
Programme Director Planning and Development





ORGANISATION	London First
RESPONDENT	79
MATTER	3: The Spatial Strategy & Spatial Development Priorities

POLICY 1: WESTMINSTER'S SPATIAL STRATEGY

1. We support the overarching objectives of the spatial strategy set out in Policy 1. The strategy covers all the necessary issues and is in general conformity with the London Plan and national planning policy.
2. Our concerns in respect of the draft City Plan (the Plan) relate to the extent of its ambition for growth, how that ambition is expressed, and the detailed policies that seek to deliver the spatial strategy. Specifically: the strategy for economic growth is not ambitious enough; there are development management policies in the Plan that undermine the Plan's ability to achieve the levels of growth that Westminster needs; and the Plan's delivery relies on a number of Development Plan Documents which have not yet been released. Our support for the spatial strategy is subject to these considerations.

POLICY 2: SPATIAL DEVELOPMENT PRIORITIES: WEST END RETAIL AND LEISURE SPECIAL POLICY AREA AND TOTTENHAM COURT ROAD OPPORTUNITY AREA

19) Does Policy 2 adequately and effectively deal with the full range of relevant issues?

3. Yes, we consider that Policy 2 covers the full range of issues required, having regard to the definition of the West End Retail and Leisure Special Policy Area (WERLSPA) in the draft new London Plan Intend to Publish version December 2019 (the London Plan).

4. We welcome the inclusion of Policy **2D**, which prioritises a diverse evening and night-time economy and enhanced cultural offer, in addition to retail and leisure activities.

21) What is the basis for the designation and boundaries of the West End Retail and Leisure Special Policy Area, the West End International Centre and the Tottenham Court Road Opportunity Area? Are the areas covered appropriate and justified?

5. We do not raise any objections to the boundary drawn around the WERLSPA. It would be helpful if Policy 2 provided greater differentiation between the purpose and vision for the WERLSPA compared to the rest of the CAZ.
6. We support the designation and definition of the West End International Centre, however, the Plan should set out a clearer vision for the International Centre at the borough level as this is very high level in the London Plan.

23) Is the policy sufficiently clear in terms of the scale and nature of development envisaged?

7. Policy **2A** sets a WERLSPA priority for “*Significant jobs growth through a range [of] commercial-led development including retail, leisure, offices and hotel use*”. Meanwhile **2B** requires “*The realisation of growth targets for the area identified in the London Plan*”. The London Plan only provides growth targets for the Tottenham Court Road Opportunity Area within the WERLSPA, not the wider area.
8. Paragraph **2.7** of the Plan states that the WERLSPA is anticipated to absorb much of Westminster’s future commercial growth, however there is no indication of the actual level of growth envisaged and Policy **2A** does not contain any specific metrics or targets. The West End Good Growth Report commissioned jointly by the Greater London Authority and Westminster City Council (Arup, November 2018) is referenced. This study projected a gross increase in 124,000 jobs across the West End over the period 2018 to 2041. It should be noted that the West End study area for the Arup report includes parts of the London Borough of Camden (c10% of the land area) and there are also some minor variations in the boundary for the Westminster part of the study area compared to the WERLSPA. However, it is significant to note that both the Arup study area and the WERLSPA consistently exclude the Paddington and Victoria Opportunity Areas. The Arup report envisages that the 124,000 jobs would be delivered through a range of commercial development, including retail, food and drink uses, hotels, arts, culture and entertainment, and offices.

9. We believe that a pro-rata jobs target could readily be determined for the WERLSPA part of the West End and included in Policy 2. This would make the policy more effective because it would provide a metric against which delivery of Policy 2 could be monitored. Being mindful of the slight variation in the Westminster boundary noted above, as a guideline Arup calculate that the Westminster part of their study area would generate 97,000 jobs of the 124,000 total over 2018 to 2041. If this is adjusted for the Plan's timeframe (21 years instead of 23 years) this would suggest that a jobs target for the WERLSPA could be in the region of around 89,000 jobs for the period 2019 to 2040.
10. Specifically, in relation to the Tottenham Court Road Opportunity Area, the growth targets set by the London Plan could be more ambitious. In any event, targets should not be viewed as a ceiling. We have suggested an amendment in response to Q25 below to make it clear that the targets should be viewed as a minimum.
11. Furthermore, the Oxford Street District part of the WERLSPA has greater capacity to accommodate growth compared to the wider WERLSPA, through additional height and intensification. This is acknowledged in the Plan at paragraph 2.8, but it warrants acknowledgement within Policy 2 itself as a new 2H.

25) Are any modifications necessary for soundness?

1. We support the Council's Proposed Main Modification **PS/S/01** to Policy **1A(5)** for protecting and enhancing uses of international and/or national importance.
2. Policy **2A** should be amended as follows:
 - A. Significant jobs growth through a range of commercial-led development including retail, leisure, offices and hotel use **to provide at least [TBC] jobs.**
3. Policy **2B** should be amended as follows:
 - B. The realisation of growth targets for the area identified in the London Plan **as a minimum.**

Word count: 954 total



ORGANISATION	London First
RESPONDENT	79
MATTER	4: Housing

POLICY 8: STEPPING UP HOUSING DELIVERY

18) What is the evidence base for the limit of 200sqm Gross Internal Area for new homes (Part B) and is the approach justified?

1. Our view is that the prescriptive approach set out in Policy **8B** of the draft City Plan (the Plan), which seeks to introduce a blanket size restriction across the City, is not justified. The report, '*The Prime Residential Market in Westminster*' (Ramidus Consulting, 2014, EV_H_012) calculated that prime properties (>£2m) account for a small proportion of the overall housing stock in Westminster (8% of the total number of residential transactions between 2003 and 2012 were prime) whilst household expenditure by owners of properties worth over £5m in Westminster exceeds £2.3 billion a year in London and the wider UK economy.
2. The complexities of the prime market, as explained in the Ramidus Consulting report, suggest that a more nuanced policy approach would be more appropriate. Policy **8B** should set out a general ambition to restrict oversized new homes, and this should subsequently be assessed on a site-by-site basis, according to the location of the site and the range of unit sizes being delivered across the scheme as a whole. The Council could also accept the occasional larger unit where it results in enhanced affordable housing outcomes, thus ensuring the overall spatial strategy is not undermined.

20) What is the evidence base for the approach to short term sleeping accommodation (Part D) and is the approach justified? How will this be implemented and how does the approach relate to situations where planning permission is not required? Is the approach to purpose-built student accommodation justified?

3. Paragraph **8.11** of the Plan (new para 8.13) confirms that the restriction on temporary sleeping accommodation also applies to purpose-built student accommodation (PBSA) outside of term time, Whilst we acknowledge that there can be significant amenity impacts arising from ad hoc short-term lets, we do not believe that the policy should apply to PBSA, which is a very different form of accommodation. PBSA provides units within a comprehensive, self-contained block that are professionally managed. This type of accommodation is fundamentally different to the ad hoc use of single homes within, say, private apartment blocks.
4. This approach is also inconsistent with the draft new London Plan Intend to Publish version December 2019 (the London Plan), which encourages the temporary use of PBSA outside of term time in order to increase its profitability to help subsidise, and thus maximise, affordable provision. To ensure appropriate management is in place, and prevent any harm to neighbours, the London Plan encourages the use of planning conditions and S106 planning obligations to secure agreed management plans for both types of uses.
5. Paragraph **4.15.13** of the London Plan states:

To enable providers of PBSA to maximise the delivery of affordable student accommodation by increasing the profitability of the development, boroughs should consider allowing the temporary use of accommodation during vacation periods for ancillary uses. Examples of such uses, amongst others, include providing accommodation for conference delegates, visitors, interns on university placements, and students on short-term education courses at any institution approved in advance by the borough. The temporary use should not disrupt the accommodation of the resident students during their academic year. Conditions and/or legal agreements could be attached to any planning permission to ensure that the ancillary use does not result in a material change of use of the building.

6. Furthermore, the wording of paragraph **8.11** in the Plan is contradictory. The justification for including PBSA in Policy **8D** is that, “*student homes are often situated in residential areas rather than on purpose-built campuses*” and yet 8.11 states the restriction applies to **purpose-built** student accommodation. The wording of 8.11 should therefore be amended to differentiate between professionally managed PBSA and HMO student housing within traditional

homes in residential neighbourhoods. This would ensure consistency with the London Plan.

21) Are the proposed modifications necessary for soundness? Are any other modifications necessary?

7. Further modifications are required to Policy **8B** as follows:

B. ~~No~~ New homes in Westminster ~~will~~ **should generally not** exceed 200 sqm Gross Internal Area (GIA), ~~except where it is necessary. In this regard, applications will be assessed according to the location of the site, the range of unit sizes being delivered across the scheme as a whole, the affordable housing offer and the need~~ to protect a heritage asset.

8. The supporting text for Policy **8D** (paragraph **8.11** in the Plan and **8.13** in the Council's proposed modifications) should be amended to exclude PBSA to make it consistent with the London Plan.

8.11 While delivering new homes is essential, if we are to meet Westminster's growing housing needs we must also ensure that existing stock remains available for permanent residents. Westminster has seen the number of properties used for temporary short-term lets grow significantly since the need for planning permission to short-term let a property was removed. In addition to the impact on housing availability, this can have unacceptable impacts on the residential amenity of those living in neighbouring properties. Regular noise disturbance for neighbours, anti-social behaviour, inappropriate disposal of waste, reduced security and overcrowding of properties are all consequences of this entrenched commercialisation of residential properties. Restricting change of use to short-term letting will safeguard our existing housing supply and protect residents from the negative aspects of this activity. The restriction on short-term letting ~~applies~~ **does not apply** to **professionally managed** purpose-built student accommodation outside of term time **where a management plan is secured by way of planning condition or legal agreement.**, ~~unless the letting is directly linked to conferences taking place on the education premises the accommodation is linked to. This is because student homes are often situated in residential areas rather than on purpose-built campuses and the amenity of permanent residents must be protected from the negative impacts of a churn of holiday makers.~~

POLICY 9: AFFORDABLE HOUSING

25) How has viability been taken into account in formulating the policy and how would the viability of schemes be taken into account?

9. Policy **9A** of the draft Plan sets a strategic target of at least 35% of all new homes to be affordable. No guidance is given as to how affordable housing will be negotiated should a scheme come forward where it is not financially viable to provide 35%, or if there are infrastructure delivery costs that, for both local and strategic reasons, should be prioritised over affordable housing, e.g. in an Opportunity Area. We consider that this is a fundamental policy principle that should be embedded in the Plan itself, not reserved for Supplementary Planning Guidance. This would also ensure conformity with the Threshold Approach for affordable housing provision set out in the London Plan and is especially pertinent given the points raised by the Westminster Property Association on the Council's City Plan Viability Review (BNP Paribas Real Estate, January 2019).

26) Is the policy justified in terms of the approach to on site and off-site provision and payments in lieu? Is there sufficient flexibility? Is there sufficient clarity as to how the policy will be implemented in practice, particularly in terms of the calculation of payments in lieu?

10. Supporting text to Policy 9 (paragraph **9.3**) confirms that affordable housing requirements from residential development will be calculated based on the total gross residential floorspace proposed. This is overly restrictive and should be calculated according to the net uplift in floorspace, not the total gross. The unintended consequence of this will be to disincentivise landowners and developers from redeveloping existing residential sites to intensify their use and, thus, missed opportunities to deliver windfall sites and a constraint on overall housing supply. Furthermore, restricting supply in this way will ultimately make private housing in Westminster even less affordable.
11. Policy **9C** sets out the circumstances in which affordable housing provision can be made off-site and is unnecessarily negative in tone. Suggested amendments are set out in response to Question 29 below. These amendments are sought because there will be circumstances, particularly in the high-density, mixed-use Central Activities Zone (CAZ), where on-site delivery may impact on the main redevelopment scheme and permitting off-site delivery will optimise overall housing delivery. In these circumstances, we support off-site provision in the local vicinity of the host site, as opposed to anywhere in the borough. This will still deliver the objective of achieving, and maintaining, mixed and balanced communities. As stated in the London First report 'The Off-Site Rule: Improving

planning policy to deliver affordable housing in London' (London First, 2016), *"A policy allowance for off-site provision can therefore support the delivery of the right housing in the right location and better meet local housing need"*.

12. Policy **9C** should also include reference to a portfolio approach, whereby a developer delivering several sites in the City has greater flexibility to deliver the off-site homes. Using affordable housing credits in a portfolio approach (in specified locations) potentially unlocks sites and brings forward delivery, without waiting for need to be generated, but it requires a formal policy framework to ensure transparency and effectiveness. It can be challenging to find donor sites that meet all locational and size criteria, and the overall ambition of the Plan should be to deliver the optimum number of affordable homes in the most expedient way.
13. Finally, insufficient clarity is provided as to how payments in lieu will be calculated as details of the calculation have been reserved for subsequent Supplementary Planning Guidance: this is a fundamental policy principle that should be embedded in the Plan as it is necessary to assess the effectiveness of the policy.

28) In overall terms is the policy in general conformity with the London Plan? How would the London Plan and City Plan interrelate on this issue in terms of dealing with specific proposals?

14. The Plan is not in conformity with the London Plan. There is no reference in Policy 9 to the fundamental principles of affordable housing policy in London, namely the Threshold Approach and the Viability Tested Route (Policies H4 and H5 of the London Plan). References have only recently been made through Proposed Main Modification **M/H/06**.
15. As set out in paragraph 9 above, Policy 9 should acknowledge that there may be occasions where viability considerations mean the 35% target cannot be achieved and a viability assessment will need to be used to determine the maximum reasonable amount of affordable housing. Furthermore, there may be occasions, such as in the Opportunity Areas or other regeneration areas, where infrastructure delivery needs to be prioritised over affordable housing. These London Plan policy principles should be embedded in Policy 9, not reserved for Supplementary Planning Guidance.

29) Are the proposed modifications necessary for soundness? Are any other modifications necessary?

16. Policy 9C should be amended as follows:

- C ~~*In exceptional cases*~~ ***Where justified and it results in improved affordable housing outcomes***, affordable housing provision can be made off-site (in whole or in part) in the vicinity of the host development. This will ~~only~~ be accepted where it is sufficiently demonstrated that on-site provision is physically or otherwise impracticable or is inappropriate in terms of the quantity or quality of affordable housing to be provided...

17. The wording of paragraph 9.13, that allows for public, charitable and non-profit organisations to follow a portfolio approach to affordable housing delivery, should be expanded to include **all applicants** and to allow early delivery of affordable housing in respect of commercial, as well as residential, development.

POLICY 10: AFFORDABLE CONTRIBUTIONS IN THE CAZ

30) What is the basis for seeking affordable housing contributions from office and hotel developments in principle? Is the approach justified, consistent with national policy and in general conformity with the London Plan?

18. The concept of commercial development contributing to affordable housing provision is unique to Westminster. Both the London Plan and the NPPF only seek affordable housing contributions from private residential development. Policy 10 therefore requires strong justification and its impact upon commercial growth must be carefully considered. We do not consider that the Council has provided adequate justification.

19. The significant increase in planning obligations sought from commercial development because of Policy 10 will likely mean that viability testing will need to be undertaken on a scheme-by-scheme basis for many commercial applications. This will inevitably lead to delays and uncertainty in the planning process and ultimately inhibit delivery.

31) How would the policy affect commercial growth?

- 20.** During the Plan's consultation process to date, improvements have been made to this policy and we support the direction of travel. However, we remain concerned about the viability and deliverability of development in the office and hotel sectors as a result of Policy 10, which could undermine the ability of the Plan to meet commercial demand and generate sufficient jobs to satisfy Policy 14.
- 21.** We support the different approaches now set out in Policy 10 for hotels and offices in response to the City Plan Viability Review. The report concluded that, *"The Council's requirement for commercial (office and hotel) schemes to contribute towards affordable housing...will need to be applied flexibly on hotel developments"*. Throughout this process, we have been especially concerned about harm to the hotel sector. Given this sector has been particularly hard hit by the pandemic, it is vital that the Plan does not put its longer-term recovery at further risk.
- 22.** If developers are discouraged from delivering new office and hotel developments in Westminster through local policies which make them financially unviable and/or challenging to deliver and operate, they will instead turn to neighbouring boroughs and this will undermine delivery of new jobs in Westminster, jeopardise the commercial function of the CAZ and risk the Plan's ability to achieve the economic growth target in Policy 14. This in turn risks undermining the economic role of Westminster at a strategic, national and international level.
- 23.** On existing hotel and office sites within Westminster, this policy climate will encourage landowners to refurbish existing buildings, rather than redevelop them. Consequently, this will miss opportunities for growth and intensification. This is compounded by the fact that the Plan's growth targets rely heavily on windfall sites for its development pipeline.
- 24.** Specifically in relation to hotels, a strong supply of good-quality hotels in Central London, and across a broad price spectrum, is vital to the capital's economic success, both in terms of the contribution that the tourism industry in London makes to the national economy and also as a vital piece of infrastructure serving the business community. The Tourism Alliance estimates tourism accounts for c.8% of UK GDP with London accounting for almost a third of the total UK spend.
- 25.** It is also important to avoid potential unintended consequences for Westminster. Restricting the supply of hotels in the CAZ will likely increase the use of permanent residential accommodation for short-term lets, often on an illegal basis, and this is an issue which is reportedly causing concern for

residents in Westminster and the Council is trying to resist through its Policy 8D.

35) Is the policy justified in terms of the approach to on site and off-site provision and payments in lieu? Is there sufficient flexibility? Is there sufficient clarity as to how the policy will be implemented in practice?

- 26.** Whilst we welcome the Council's efforts to improve the policy through a more nuanced approach to affordable housing provision and payments in lieu, the changes have not gone far enough: we do not believe the presumption in favour of on-site delivery makes sense. The aim of creating mixed and balanced communities is concerned with ensuring that social housing is successfully integrated with open market housing. Suggesting that social housing should be mixed with commercial uses would be a misappropriation of that planning principle. We are also advised by the Registered Providers (RPs) within London First membership that small sites comprising of as few as ten homes are unattractive propositions for them to manage as they would represent an inefficient use of their resources.
- 27.** The current wording at Policy **10B** acknowledges that on-site delivery may be impracticable or unviable and, indeed, these issues are common problems in the CAZ. This is because it is a high-density, high-intensity built environment and, as such, there will inevitably be occasions where challenging management and amenity issues arise from having residents in close proximity to commercial activities, some of which will be operational 24 hours a day.
- 28.** For these reasons, the presumption in favour of on-site delivery in the CAZ is neither justified nor would it be effective. A more flexible approach to on-site and off-site delivery in Policy 10 is critical to the delivery of the Plan's targets, with the option for off-site available as a starting point in negotiations in order to optimise overall housing supply and ensure that the commercial function of the CAZ is not diluted. The size of a site and its urban context should also be deciding factors.
- 29.** Finally, as with Policy 9, insufficient clarity is provided as to how payments in lieu will be calculated as details of the calculation have been reserved for subsequent Supplementary Planning Guidance. This is a fundamental policy principle that should be embedded in the Plan as it is necessary to assess the effectiveness of the policy.

36) Are the proposed modifications necessary for soundness? Are any other modifications necessary?

30. Policy 10 should be **deleted in its entirety**.

31. Should the Inspectors support its retention, Policy 10 should make provision for viability testing of individual proposals to ensure that new development is not discouraged from coming forward and the economic growth aims of Policy 1 and Policy 14 can still be achieved.

32. In these circumstances, it should be noted that we support the Council's Main Modification **M/H/09** to insert an exception for the International Centres.

33. We do not support the Council's Proposed Main Modification **M/H/11** to apply Policy 10 to change of use applications. This is a significant change to the application of the policy compared to the Regulation 19 version and it would have significant implications for development viability, which in turn would discourage refurbishment and more efficient use of existing buildings. The modification post-dates the Council's viability assessment and addendum.

POLICY 11: HOUSING FOR SPECIFIC GROUPS

40) Is the approach towards purpose-built student accommodation justified?

34. We largely support the Council's approach to PBSA and welcome the modifications put forward by the Council in respect of affordable student accommodation. However, there are two points we wish to raise.

35. Firstly, in Policy **11G** we do not believe that PBSA should be tied to students studying at higher education institutions with a main hub in Westminster. The Plan's stance conflicts with the London Plan and no justification is provided as to why. The London Plan (paragraph **4.15.3**) requires that a PBSA provider enters into a nomination agreement with one or more higher education providers to demonstrate need, however it clearly states that, "*There is no requirement for the higher education provider linked by the agreement to the PBSA to be located within the borough where the development is proposed.*" Therefore, all references to a higher education institution needing to be in Westminster should be removed.

36. Secondly, in the opening sentence of paragraph **11.19**, the word 'affordable' is misused as it does not mean 'affordable' in the same sense that is used in the

second sentence. In the first instance, it means it should be available at reasonable market rents, whereas in the second instance it means affordable student accommodation as defined in the London Plan, i.e. “a *PBSA bedroom that is provided at a rental cost for the academic year equal to or below 55 per cent of the maximum income that a new full-time student studying in London and living away from home could receive from the Government’s maintenance loan for living costs for that academic year*” (para 4.15.8 of the Intend to Publish version, December 2019). This wording should therefore be reviewed to provide clarity.

44) Are the proposed modifications necessary for soundness? Are any other modifications necessary?

37. We support the Council’s Main Modifications **M/H/16** (Policy 11H) and **M/H/19** (paragraph 11.19) to remove the specific references to 35% and ensure conformity with Policy H15 of the London Plan.

38. In addition, Policy **11G** should be amended as follows:

G. The council supports the development of new, well-managed, purpose-built accommodation for students studying at higher education institutions ~~with a main hub in Westminster~~ **across London**. The development of new student accommodation should not result in the loss of other types of housing.

39. Finally, paragraph **11.19** should be amended as follows:

11.19 Student accommodation must be ~~affordable~~ **available at reasonable market rents**, well-managed and a sufficient proportion must be adaptable to meet specialist needs. A proportion of purpose-built student accommodation must be provided as affordable student accommodation, as defined in the London Plan and associated guidance...

Word count: 3502 (incl. 924 for titles, questions and quotes)



ORGANISATION	London First
RESPONDENT	79
MATTER	5: Economy and Employment

POLICY 14: SUPPORTING ECONOMIC GROWTH

1) What is the evidence in relation to future jobs growth and the need for employment floorspace and does the policy reflect this?

3) Does the policy set out a justified and effective approach to economic growth which is in general conformity with the London Plan?

1. There are a number of references in the draft City Plan (the Plan) to maintaining a diverse economy, but this is not reflected in Policy 14. For example, paragraph **2.7** references the West End Good Growth Report commissioned jointly by the Greater London Authority and Westminster City Council (Arup, November 2018). It states that, to achieve good growth, investment will be necessary in all commercial sectors including retail, food and drink uses, hotels, arts, culture and entertainment, as well as offices. Similarly, paragraph **14.4** of the Plan states that the diversity of Westminster's economy is one of its great strengths and identifies a number of high value growth industries.
2. Policy **14A** sets a target of at least 63,000 new office jobs over the Plan period. This is taken from the London Office Policy Review (Ramidus Consulting Limited, 2017), which sets Westminster a target of 75,000 new jobs over the period 2016 to 2041, adjusted to reflect the Plan's timeframe of 2019 to 2040. However, there should be an overall target for employment growth in the borough, not just a target for office jobs. The retail, light industrial, research, medical, hospitality and leisure sectors all make significant job contributions towards Westminster's economy and a more diverse range of jobs will benefit local residents. It is inconsistent that the Plan, on the whole, supports employment growth in all commercial sectors and yet the jobs target is entirely office focused.

3. Turning to office provision specifically, the West End Good Growth Report shows that between 2000 to 2016, Westminster saw a decline in the amount of available office floorspace. This compares with the neighbouring boroughs of Camden, Islington and Kensington and Chelsea, who all saw a significant increase of around 10–15%. Office and retail floorspace in Westminster decreased by 2% and 6% respectively between 2011 and 2016. Supply has therefore been constrained for some time and, as set out in the report *Good Growth for Central London: Analysis of the CAZ+ from 2020 to 2041* (Arup, 2020) Westminster has failed to deliver the commercial floorspace needed to meet the employment growth targets set for the City by the London Plan as adopted in 2016.
4. The WCC Authority Monitoring Report (March 2020) shows a decline of c775,000sqm office floorspace per annum since 2013. Assuming this trend continues with the same rate of loss, against the Plan's target of 445,000sqm office floorspace, this would mean Westminster would experience a net loss of c330,000 sq m office floorspace per annum. This would conflict with Policy **SD4** of the draft new London Plan Intend to Publish version December 2019 (the London Plan), which requires, *"The nationally and internationally significant office functions of the CAZ should be supported and enhanced."*
5. The West End Good Growth Report notes that, despite the ongoing decline in physical floorspace, the West End has experienced significant employment growth over the same period. The evidence suggests that this has been achieved largely through intensification of use of existing space combined with falling vacancy rates. However, Arup argue that in good growth terms, this trend will be very difficult to sustain over the longer term because there are limits as to how low floorspace per worker can fall. The current pandemic adds additional risks to the assumptions around the 'spaceless growth' concept mentioned at paragraph **14.2**, which informed the additional office floorspace target of 445,000 sq m additional office floorspace. The Plan's assumption of continued significant increases in occupational density is not supported by robust evidence and is even riskier given current circumstances. Greater emphasis on job creation is therefore preferable to a floorspace target.
6. In addition, vacancy levels are already low, as acknowledged at paragraph **14.1**, and well below the London average. If both these trends continue, Arup warn that employment could fall in the West End at a time when Crossrail 1, and hopefully, eventually Crossrail 2, are offering the prospect of a major increase in transport capacity and opportunities for good growth. Given the vast public and private investment in Crossrail 1 to date, return on that investment must be maximised from this major new commuter route and the increased access to new employment markets. It is the Council's responsibility to ensure that there is sufficient additional new commercial space to accommodate commensurate employment growth. The low ambition in the Plan undermines the investment in Crossrail 1 and does not demonstrate adequate return.

7. In terms of the lack of ambition of Policy 14, it is important to note that in the Monitoring Framework in the Plan, Key Performance Indicator 5 for *'Delivery of office floor space across the CAZ and opportunity areas'* states *'Net reduction in floor space'* as the trigger for a review. Given the above trends and the need to replace lost floorspace, plus the unknowns around the long-term impact of Covid-19 on employment densities, this must be changed as it is not ambitious enough. Instead, the trigger should be tied to the jobs target and the policy should be reviewed if the Plan is not delivering sufficient employment growth.
8. It should also be noted that there is a strong relationship between the growth in the office sector and other commercial sectors. Offices need support from several other commercial sectors and office workers contribute significant spend to the retail, leisure and culture industries. This is confirmed in the West End Good Growth Report, which states, *"Growing employment in prime locations underpins high densities of workers who in turn "fuel" the retail, F&B, culture and entertainment economies"*.
9. This therefore calls into question the soundness of using the London Office Policy Review (Ramidus Consulting Limited, 2017) figure as the only employment target in the Plan. The Plan's job target must be reviewed: firstly to ensure that it is ambitious enough to overcome the challenges facing the commercial markets in Westminster outlined above and, secondly, to ensure that the Plan provides a more holistic new jobs target that encompasses all employment generating sectors, not just offices. Without this, the Plan will not conform with the London Plan. Paragraph **2.4.6** states:

"The CAZ has important clusters in areas such as tech, the creative industries and life sciences, adding to its strengths in the business, professional and financial services sector, arts and culture, health, education and law. A supportive policy approach to the wide variety of business space requirements, quality and range of rental values is essential to enable these sectors to flourish and for small and medium-sized enterprises to fulfil their economic potential alongside larger businesses".
10. The cumulative impact of the detailed policies in this Plan, and in particular Policy 10's requirement for commercial development to contribute to affordable housing provision, will be to encourage landowners and developers to refurbish existing commercial buildings, rather than redevelop them, which will miss opportunities for growth and intensification. This is compounded by the fact that the Plan's growth targets rely heavily on windfall sites from those developers.
11. The draft Plan lacks ambition and it risks undermining the economic role of Westminster at a strategic, national and international level. For the reasons set out above, the draft Plan does not meet the tests of soundness set out in Paragraph **35** of the Revised NPPF 2019 because key policies are not

adequately justified and the Plan as a whole will not be effective in achieving its targets.

4) Is the approach to the loss of floorspace set out in Parts D and E of the policy justified and effective?

12. Whilst we support the principle of protecting existing office floorspace, Policy **15D** should be more flexible to ensure it does not hold back the Plan's overall spatial strategy. In an area which contains a number of low-grade properties and/or is not attractive as a location to office tenants, it should be possible to use marketing evidence from a similar property nearby rather than have a number of properties standing empty for an 18-month period, when they could be contributing to another sustainability objective of the spatial strategy, such as meeting housing need. Policy 15D would be more effective if it made specific reference to the use of land swaps to enable any loss of office floorspace from one site to be offset elsewhere in the City. This may result in more sustainable outcomes overall against the objectives of Policy 1.

5) Are the proposed modifications necessary for soundness? Are any other modifications necessary?

13. The jobs target in Policy **14A** should include all commercial sectors, not just offices.

14. Policy **14D** should make explicit reference to the use of land swaps.

15. We welcome the Council's Proposed Main Modification **M/EE/01** for 14D in respect of ground floor change of use.

16. We further support the Council's Proposed Main Modification **M/EE/02** to emphasise the significance of the central London office market and the no net loss clarification.

POLICY 15: TOWN CENTRES, HIGH STREETS AND THE CAZ

10) Is the approach to the protection of A1 uses and the introduction of other uses justified and sufficiently flexible?

17. The Plan's spatial strategy objectives include "*Supporting town centres and high streets, including centres of international importance in the West End and Knightsbridge, to evolve as multifunctional commercial areas to shop, work, and socialise*" (Policy **1A (6)**). Furthermore, Policy **15A** and the subsequent supporting text (paragraph **15.7**) make positive references to diversifying the offer of town centres with complimentary uses to encourage people to dwell and socialise in centres, not just shop.
18. Despite the above, the thrust of the Council's town centre policy remains overly focused on Class A1 retail. Whilst the Council's position has moved forward compared to the adopted policy, it is not progressive enough, especially given the twenty-year timeframe of the Plan and when you consider how online retail has radically changed the sector in the last twenty years. The wording of Policy 15 will quickly become outmoded and **15C(3)** is particularly out-of-date in its desire to restrict consecutive non-A1 uses and should be deleted.
19. The issues currently affecting the retail sector are well documented. Changing shopping patterns, notably but not only the growth of online retail, mean retail is undergoing a transformation: it will be experience-led and many retailers are having to broaden their offer. Enhanced planning flexibility is key to support the changes that are already taking place across the town centre hierarchy. The centres that thrive will be the ones that offer a wider mix of uses including leisure and experiential retail to meet consumer demand.
20. Whilst it is recognised that Westminster has a unique retailing environment, many retail operators have ceased trading during the last five years. This will be further exacerbated by the pandemic and no doubt more will follow as online sales reach levels above 20%. ONS statistics show online sales growing at around 2% per year. If the trend continues this will mean by 2024 online will account for 30% of retail sales, significantly impacting all town centres, including the West End.
21. The objective for all centres across the town centre hierarchy should be to generate activities that create incremental footfall throughout the day/night, rather than the type of frontage a unit has or the type of goods or service that are available. Indeed, many uses across Classes A1-A5, B1, D1, D2 and many sui generis uses can contribute to a vibrant and successful centre.

- 22.** The growing trend of experiential retail often cuts across a number of these traditional use classes and there is less emphasis on the physical sale of goods. Consumers are demanding more than a simple shopping trip and many retailers offer refreshments, entertainment and leisure opportunities within their stores. Consequently, retailers are less likely to follow the traditional Class A definition and an increasing number of retail units are falling into a sui generis use. Society is therefore moving away from monoculture street level activity,
- 23.** For the reasons above, it is no longer appropriate to categorise specifically between different retail activities or push applicants towards A1 uses. For town centres to remain healthy and vibrant, policy must accept that town centres will inevitably become less dependent on retail and have a greater diversity of uses. Flexibility should be encouraged, and this is not just an issue for local town centres and high streets; it applies equally to the West End and the International Centres. Indeed, the A1 approach in Policy 15 is inconsistent with paragraph **2.8** of the Plan, which states in relation to the WERLSPA, *“This will include the transformation of Oxford Street to ensure a more diverse and interesting mix of uses”*.
- 24.** Policy 15’s narrow focus on A1 uses is overly prescriptive and not progressive enough to adapt to structural changes in the retail sector and societal changes more broadly in relation to consumer demand and leisure trends. The reference at paragraph **15.12** to *“shisha bars, betting shops and fast-food takeaways”* suggests that the current policy wording stems from some particular localised issues, rather than a resistance to change, however this does not justify the outdated policy approach. If Policy 15 remains focused purely on A1 uses it will not be effective.
- 25.** A more effective policy approach is one that is more responsive to the market, referring to retail, leisure and other complimentary town centre uses in a more general way. Suggested changes are set out in response to (12) below. This would ensure consistency with national policy. Paragraph **85** of the NPPF (2019) states policies should allow centres *“to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries”*. This would future proof Policy 15, and the health of the various town centres, thus making it more effective.
- 26.** Similarly, in terms of being market responsive, we consider that **15D** is another part of this policy that is outdated. The requirement for an unsuccessful marketing campaign of A1 units before a permanent change can be granted is in effect a moratorium against any change of use to other complimentary town centre uses. 15D should be deleted in its entirety, however, if it is retained the policy must allow for greater flexibility in both the way a property is marketed and the time period required. For example, the current 18-month marketing period is wholly unrealistic in the Westminster context. It should also be

possible to use marketing evidence of a similar unit nearby rather than have a number of units all standing empty for an 18-month period.

27. Notwithstanding the above, if the Inspectors support the Council's position on prioritising A1 use specifically, then **15B** should provide a distinction between the prioritisation of A1 at ground floor level throughout the town centre hierarchy, and at first floor level only within centres characterised by large-format, multi-level stores. Furthermore, the insertion of two specific references to "ground floor" A1 retail space in the Main Modifications (**M/EE/03**) for **15D** is also a positive step forward compared to the Regulation 19 version.

11) Is the approach in general conformity with the London Plan?

28. No. The Council's approach in Policy 15 is more restrictive than the London Plan. In both policies **SD4** (The Central Activities Zone) and **SD6** (Town Centres and High Streets), together with the supporting text for each policy, the general term 'retail' is used throughout and there is never any reference to A1 retail specifically. This includes references to the International Centres, which also use general 'retail' as opposed to A1 shops specifically.

29. Furthermore, SD6B states:

"The adaptation and diversification of town centres should be supported in response to the challenges and opportunities presented by multi-channel shopping and changes in technology and consumer behaviour, including improved management of servicing and deliveries."

12) Are the proposed modifications necessary for soundness? Are any other modifications necessary?

30. Policy 15 should be amended as follows:

- A. Proposals in existing town centres and high streets will enhance and diversify their offer as places to shop, work and spend leisure time.
- B. ~~A1 retail will remain the priority use~~ Retail, leisure uses and other complimentary town centre uses will be prioritised at ground floor throughout the town centre hierarchy, and at first floor level within centres characterised by large format, multi-level stores. ~~It will be supported by complementary town centre uses (including standalone units and subsidiary uses within larger stores) that increase customer dwell time, and enhance town centre vitality and viability.~~ The use of

upper floors for residential use is supported in principle across all parts of the town centre hierarchy except the International Centres.

C. Development within the town centre hierarchy will:

1. be of a scale, type and format that reflects and enhances the role and function of the centre within which it is proposed; and
2. maintain an active frontage; **and**
3. ~~not result in two or more non-A1 uses consecutively in the ground floor frontage of an International Centre, or three or more non-A1 uses consecutively in the ground floor frontage of a CAZ Retail Cluster, Major, District or Local Centre.~~

~~D. In addition to clause C above, proposals for the permanent change of use of a ground floor A1 retail unit will be supported by evidence that there is no reasonable prospect of its continued use for A1 retail purposes, as evidenced by appropriate marketing for a period of at least 18 months. This includes proposals involving the sub-division and loss of ground floor A1 floorspace, but not the inclusion of subsidiary uses within an A1 store as part of a diversified offer. It also does not apply to proposals within the WERLSPA, unless the site is also designated as part of the West End International Centre or a CAZ Retail Cluster.~~

31. If the Inspectors are minded to retain 15D, then it should be noted that we support the Council's Proposed Main Modification **M/EE/03** to refer to the ground floor of a unit specifically. In these circumstances we would also support Proposed Main Modification **M/EE/06**.

POLICY 20: DIGITAL INFRASTRUCTURE, INFORMATION AND COMMUNICATIONS TECHNOLOGY

28) Does the policy set out a justified and effective approach, which is consistent with national policy?

32. Policy 20 should be brought up to date with national policy. The Government will shortly legislate to ensure that all new-build homes come with gigabit-speed broadband, therefore the reference in 20B to just "*major new developments and infrastructure projects*" being designed to enable digital connectivity is outdated.

33. The [Government announcement](#) on 17 March 2020 stated that the Government will use existing powers in the Building Act 1984 to amend the Building

Regulations 2010 to “ensure that housing developers and network operators work together to install internet speeds of over 1,000 megabits per second (Mbps) and for the cost to be capped at £2,000 per dwelling. By introducing the legislation, it will remove the need to retrospectively install broadband and reduce disruption and the high costs of doing so”.

29) Are any modifications necessary for soundness?

34. We recommend that Policy **20B** is amended and **new 20BA** is inserted as follows to make this policy consistent with national policy:

- B. ~~Major~~**new New** developments and infrastructure projects will be designed to enable the installation of the most up-to-date standards of digital connectivity and ensure easy maintenance and future upgrading as technologies and standards improve.

- BA. **All new build homes should be designed with the physical infrastructure necessary to provide gigabit-capable connections.**

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