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City Planning Policy Innovation and Change

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**By email only:** [**planningpolicy@westminster.gov.uk**](mailto:planningpolicy@westminster.gov.uk)18 November 2022

Dear Kimberley,

**Re: City Plan Partial Review – Response to Regulation 18 Consultation**

I am writing on behalf of the Westminster Property Association (the “Association”), the membership body and advocacy group for the leading owners, investors, professional advisors and developers of real estate in the City of Westminster. A list of the 240+ member companies we represent is available [here](https://www.westminsterpropertyassociation.com/our-member-list/).

The Association welcomes the opportunity to comment on Westminster City Council’s Regulation 18 Statement which sets out the scope of the upcoming Partial Review to the adopted City Plan 2019-2040.

The Association supports the City Council’s ambitions to strengthen affordable housing policies and also to ensure that development in Westminster contributes to tackling the climate emergency. The Association published a Zero Carbon Westminster White Paper in November 2020 which called upon Westminster’s property owners, developers, advisors and investors to commit to action which will decarbonise the City’s built environment by 2040. This was then followed by our December 2021 paper “Zero Carbon Westminster: A Focus on Retrofit in Historic Buildings” which set out a range of case studies, recommendations and retrofit measures, from low-cost and ‘light touch’ interventions through to comprehensive or ‘deep’ retrofits. Our research on retrofitting 20th century buildings will shortly be published.

We have some specific comments on elements (1) and (2) of the Regulation 18 Statement which we set out below.

1. **Updates to Policy 9 on affordable housing to deliver more affordable housing**
   1. **Proposals to amend the target tenure split for affordable housing**

Amending the desired tenure split for affordable housing to reflect 60% social housing and 40% intermediate is in line with many other boroughs and what we understand to be the City Council’s housing needs.

Whilst we broadly support this change, any policy should be drafted flexibly with the ability to take site considerations into account when considering tenure splits against the context of the policy target. There maybe local circumstances, such as the needs of particular groups local to an individual project, require a more flexible or bespoke approach to best address those needs. This could require greater flexibility in the definitions of affordable and intermediate rent, and other tenure terms and we suggest that policy recognises this.

It should also recognise that requiring a high proportion of social rent equivalent does create additional cost and reduce the value of the affordable housing, which should be taken into account when assessing scheme viability.

We suggest that the City Council brings forward evidence to demonstrate that the change will in fact lead to the delivery of more, rather than less, social housing. Policy should recognise that social housing units tend to be larger, in terms of bedroom numbers, whereas demand for intermediate tends to be for smaller units, and consequently policy should take into account habitable rooms and/or floorspace, rather than only considering unit numbers, which are likely to be lower where affordable housing is prioritised.

* 1. **Proposals requiring affordable housing from small sites**

The Regulation 18 Statement notes that the City Council wants to explore options and viability implications of requiring affordable housing from small sites below the current thresholds set out in Policy 9 of the adopted City Plan.

The Association acknowledges the pressing need within the City for affordable housing, and the role that small sites could play in delivering some of this need.

Notwithstanding this, we urge the City Council carefully to consider any policy and the implications this could have on housing delivery generally. Whilst the London Plan acknowledges that small sites can help meet London’s housing need, the NPPF (para 64) states that affordable housing should not be sought for ‘minor’ residential developments outside of rural areas (i.e. those below 10 units or 1,000 sqm floorspace, other than in designated rural areas).

We anticipate that the City Council will set an appropriate definition of “small sites” and the proposed thresholds at which affordable housing will be required.

The London Plan sets a target for the City Council to deliver 9,850 housing completions over the Plan period (2019/20-2028/29)[[1]](#footnote-1) with 5,040 of these to be from small sites[[2]](#footnote-2) (this equates to 985 homes/annum with 504 of these from small sites). Clearly, the Mayor considers that small sites have an important role to play in the delivery of housing in Westminster. In 2019-2020, 1,110 net additional dwellings were delivered in the borough and 580 were delivered in 2020-2021[[3]](#footnote-3). There is therefore a need for housing delivery within the City to be increased.

Requiring affordable housing from small sites could be onerous and limit the potential of these sites to come forward. We would suggest that any emerging policy carefully considers the implications on the deliverability of small sites in the context of wider housing delivery needs and the deliverability of these sites.

Should a policy be introduced, it must be accompanied by robust viability testing to take account of the potential effect on deliverability, across an appropriately wide range of sites and locations to reflect the diversity of Westminster’s housing market.

We suggest that, should any requirement for affordable housing from smaller sites be introduced, it should not require on-site provision of affordable housing, and should be focused upon financial contributions, set an appropriate level. Requiring on-site provision frequently has a disproportionate effect on the deliverability of the wider scheme, and one or two affordable housing units in a small-scale residential development are generally unattractive to Registered Providers as they are inefficient to manage. Small sites will often be in multiple uses already and including affordable housing as well may not be feasible or practical, especially in combination with other uses.

* 1. **Affordable housing delivery**

The Regulation 18 Statement invites comments on the best way to deliver on the City Council’s ambitions for additional affordable housing.

The Council has been unequivocal that there is a pressing need for affordable housing which is recognised by all. At the same time, the development industry is facing sustained cost increases, especially driven by materials and labour shortages, whilst values are frequently stagnant or declining and the cost of financing development has increased. This has made delivery of new development very challenging.

A flexible policy basis is therefore essential to ensure that any affordable housing policy can respond to changing economic circumstances across the plan period and encourage, rather than discourage, appropriate development.

We do not consider that requiring or prioritising onsite provision of affordable housing is appropriate in all circumstances in Westminster and there will be sites that are not an appropriate location for affordable housing. In many instances, developments may be able to support the delivery of more, and better quality, accommodation in other ways. This can include off-site provision, joint working with RPs to support the delivery of other housing schemes including improving the tenure mix , or through working with the City Council (particularly in light of the Council’s recent Truly Affordable Housing pledge), with homes delivered by the Council funded in part by payments-in-lieu. Whilst the NPPF prioritises on-site delivery, alternative delivery can be utilised if justified. We therefore suggest that a range of options are considered in the development of new policy, including recognition of the role of off-site and payment-in-lieu delivery.

1. **A new policy prioritising retrofit and refurbishment of existing buildings where appropriate**

The Association recognises the scrutiny of the carbon emissions associated with new construction and recognises that this that this is a key priority area for the City Council. The Association supports the retention and retrofit of buildings/structures, or parts thereof, where possible.

The Association has produced research on best practice in the retrofitting of both 20th century and older buildings and these representations are informed, in part, by the findings of that research.

Carbon emissions are a national and international issue; ideally, this topic would be addressed through national policy, to provide a consistent approach across the country to the assessment and management of emissions associated with the construction of buildings. WPA research concludes that much greater consistency and streamlining of policy is required at a national and regional level.

The Association has some concerns that, if this topic is addressed solely at a local level, it will lead to a fragmented system that does not create consistency of approach and outcome.

These requirements do also place additional burdens on both applicants and local authorities, in terms of the resourcing required to prepare and assess planning applications. It is important that any policy that is introduced has proportionate and realistic expectations of applicants, and the City Council, of the level of assessment and optioneering that can be undertaken.

We would welcome discussions in this area, as well as to identify other areas of potential simplification to allow resources to be focused on this important matter.

Any new policy must remain consistent with the London Plan, and with the NPPF, and must take into account the ability of development to deliver other strategically important planning benefits including housing and employment. The NPPF creates a strong presumption in favour of sustainable development. The concept of ‘Good Growth’ underpins the London Plan – this is growth that **“is socially and economically inclusive and environmentally sustainable”[[4]](#footnote-4)** and that **“proactively explore[s] the potential to intensify the use of land to support additional homes and workspaces, promoting higher density development”[[5]](#footnote-5)** especially in well connected locations.

London Plan Policy D3 states that all development “**must optimise”** site capacity, with the density of development to be designed in response to the site’s connectivity and accessibility (Policy D2). The supporting text to Policy D3 notes that for London to accommodate the growth it needs, it must drive the efficient use of land which itself requires **“optimisation of density”[[6]](#footnote-6)**.

Policy SI2 provides a policy basis for requiring development to calculate whole life carbon emissions and demonstrate that actions have been taken to reduce life cycle emissions, and the the GLA’s Whole Life Carbon Assessment London Planning Guidance (“LPG”) and Circular Economy Statement LPG provide further guidance on this. Importantly, these policies do not preclude or prohibit deconstruction and demolition of buildings.

A policy that introduced a strong presumption against physical change, extension, or in appropriate cases, replacement of buildings (or parts of buildings) on carbon grounds would not be in general conformity with the London Plan or with the NPPF. Such a policy could restrict the ability of the built environment to deliver sustainable development and Good Growth through the efficient use of land to deliver necessary infrastructure. Any policy must continue to allow for the physical change, repurposing and intensification of sites in central London in accordance with the London Plan. Policy should, therefore, encourage ‘retrofit first’ but not ‘retrofit only’. Planning officers must be provided with the tools to be able to make careful judgements on the planning balance, considering all policy requirements set out within the development plan and other material considerations.

For the City Council to meet the challenging Net Zero 2040 target, it will be necessary to replace inefficient existing buildings that require high energy use with better, more efficient, buildings. Sometimes, this will only be possible, technically and economically, through redevelopment.

The London Plan, and local policy, set challenging targets for both housing and employment growth. Policy 13 of the City Plan – which is not subject to the Early Review – sets ambitious targets to provide office accommodation to provide “new and improved” office floorspace for at least 63,000 new jobs over the plan period. Likewise Policy 8 requires at least 20,865 new homes over the same period. Any new policy regarding retrofit must be consistent with achieving these targets.

Relatively densely developed, well-connected city centres, such as much of Westminster, are the most inherently sustainable locations to accommodate additional development and growth. This is recognised by Good Growth Objective 2, as described above. Whilst national and regional planning, and wider public policy continues to promote sustainable development, local policies should not seek to prevent the extension, redevelopment or replacement of existing buildings with new ones where doing so would contribute to growth.

The WPA research on retrofitting 20th century buildings concludes that retrofit is not always possible. Retrofit or refurbishment does not always optimise planning and public benefits. Nor may such development deliver schemes which meet all other relevant and necessary technical requirements, including for example, fire safety measures and daylight/sunlight requirements. In some instances, an investment in carbon is necessary to ensure that buildings which are not suitable for retention do not become stranded assets. This may involve deconstruction and an upfront investment of carbon.

The WPA research concluded that retention is most often viable for buildings which present a specific set of characteristics, generally involving buildings of, overall, good architectural quality. These characteristics can include a robust structure, robust foundations, either good access to architectural and engineering records, or easy access to carry out investigations, generous floor to ceiling heights, large floor plates, flexibility of internal layouts, and space for additional or new plant.[[7]](#footnote-7) The absence of these characteristics may point towards deconstruction and redevelopment.

In view of the conclusions of this research, we have set out a suggested draft policy on low carbon construction and retrofit. This policy does **not** represent the Association’s fixed view, but is tabled as an early working suggestion, as a basis for further discussion. The Association anticipates that this will be subject to considerable evolution and change.

**Low carbon construction and retrofit**

1. All major development creating over 1,000sqm of additional floorspace or over 10 additional homes should:
2. Minimise overall whole life carbon emissions, to be demonstrated through the completion of a Whole Life Carbon Assessment, which will include embodied carbon emissions from construction;
3. Insofar as practically possible and beneficial in carbon terms, use low carbon, recycled and/or repurposed materials;
4. Be designed to allow for flexible re-use and deconstruction/adaptation throughout their lifespans
5. Proposals for the beneficial retention, adaptation and extension of existing buildings, to improve their operation, will be supported, subject to other relevant policies in this Plan, including applicable land use policies.
6. Where planning permission is required for development proposals involving substantial demolition and deconstruction, planning permission will be granted where applicants can satisfy at least one of the following three criteria:-
7. that the beneficial retention, adaptation and extension of existing buildings is impractical or undeliverable;
8. that the proposed replacement building would lead to reduced overall carbon emissions across its life cycle;
9. that the beneficial retention, adaptation and extension of existing buildings would lead to the site being materially under-optimised, when considered against strategic regional and national policies prioritising growth, compared to a more extensive redevelopment, which provides demonstrably more extensive public benefits. This includes the extent to which the proposed development would achieve the objectives of reducing embodied carbon in line with Part A of this policy.
10. Where demolition/deconstruction is permitted, applicants should demonstrate how the re-use, re-cycling and up-cycling of building materials will be maximised. This should include the use of materials banks as a recipient for materials, or similar.

We anticipate that this policy would require further guidance, either within the Reasoned Justification or in supplementary guidance. In particular, we suggest the following matters are addressed:

1. Definitions of the terms ‘retrofit’, ‘refurbishment’, ‘redevelopment’, ‘substantial demolition’ and ‘deconstruction’.
2. Noting, in respect of Part A, that development that achieves or exceeds relevant benchmarks, such as the Mayor of London’s or LETI’s, will be considered to have minimised embodied carbon, but that the City Council will also recognise that there will be instances where development may be more carbon intensive.
3. Noting, in respect of Part C(3), that this will require a detailed Whole Life Carbon Appraisal and comparison of an appropriate refurbishment and retrofit schemes against the proposed development. Alternative proposals should be realistic; for example the land uses tested should be acceptable in land use terms. The Association suggests that the City of London’s draft Planning Advice Note may provide one potential model for this assessment and comparison which could be further developed and applied to the Westminster context;
4. Acknowledging that Westminster’s particular conservation, townscape and heritage constraints will also need to be taken into account and the most carbon efficient designs will not always be appropriate in heritage and townscape terms. There may be a particular role for façade retention in some cases in ensuring the optimisation of sites whilst responding to conservation and heritage constraints, even when this is not necessarily the most carbon-efficient option
5. Recognising characteristics of existing buildings which will influence their suitability for retrofit and refurbishment, which we suggest include:
6. The age of the building(s);
7. Its physical and structural condition;
8. The existing materials and their environmental performance, including the extent to which the thermal performance of walls and floors can be improved;
9. The design and layout of its structure, frame and column grid;
10. Floor to ceiling heights;
11. Its existing use.
12. Recognising the role of industry standards and expectations in informing the design and performance of workspace, and other use types. These address matters such as floor to ceiling heights and efficiencies of layout, which directly affect the flexibility and adaptability of accommodation, the quality of the space, the extent to which natural ventilation can function, and the effect of the space on the wellbeing of workers who will occupy it. Our experience is that office workers are considerably more sensitive to these issues following Covid-19 and the sense of wellbeing that accommodation provides has a direct effect on their willingness to return to central London, which is of such importance to the success of Westminster’s economy.
13. Recognising that in some instances retaining and extensively adapting existing structure may be more carbon intensive than a proposal which requires more material to be removed but can then deploy carbon more efficiently and employ a wider range of low carbon material choices and construction techniques.
14. Where demolition/deconstruction is to be pursued, this should be discussed early in pre-application discussions, with evidence of the assessment of alternatives and decision-making by applicants presented at an early stage, as well as included within planning applications. The alternatives that require assessment should be clearly defined and proportionate to avoid unnecessary complexity and resourcing requirements, especially at early stages of pre-application discussion;

We suggest this policy sit alongside the assessment of operational carbon required by Policy SI2 of the London Plan. Collectively, these two policies would require a comprehensive Whole Life Carbon Assessment to be undertaken with the overall objective of ensuring that carbon emissions are minimised over a building’s life cycle.

The Association would be very keen to continue to discussions with officers and other stakeholders on the evolution of policy in this area in advance of the Regulation 19 consultation. We suggest that some round table discussions, including developers and designers, would be helpful in ensuring any emerging policy is effective and has broad-based support. We look forward to arranging these with you.

**City Plan Partial Review – Response to Regulation 18 Consultation – Summary**

We summarise the points made within this response as follows:

1. We support the objective to secure more affordable housing as social housing. Any policy should be drafted flexibly to take into account site specific matters including viability and local needs, where necessary, when considering the wider policy target.
2. Any proposals requiring affordable housing from small sites should take into account wider housing delivery needs and consider potential implications on the delivery of small sites.
3. Affordable housing policies should be drafted flexibly to maximise delivery, including adopting a cascade approach which prioritises on-site delivery but recognises in some instances off-site delivery, delivery via payment in lieu, or in other ways, could result in more and better quality affordable housing accommodation.
4. The Association recognises the need to introduce additional policy to prioritise the retrofit or refurbishment of existing buildings, where appropriate, and supports a “retrofit first” approach, which recognises that in some circumstances more extensive deconstruction and redevelopment will continue to be required to ensure that the capacity of sites is optimised in accordance with strategic policy.

We look forward to continuing to proactively work with the City Council on the emerging changes to the City Plan.

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1. Table 4.1, London Plan (2021) [↑](#footnote-ref-1)
2. Table 4.2, London Plan (2021) [↑](#footnote-ref-2)
3. ONS, Table 122 Net additional dwellings1 by local authority district, England, 2001-02 to 2020-21 [↑](#footnote-ref-3)
4. Para 0.0.18, London Plan (2021) [↑](#footnote-ref-4)
5. Good Growth Objective GG2(C), London Plan (2021) [↑](#footnote-ref-5)
6. Para 3.36, London Plan (2021) [↑](#footnote-ref-6)
7. P.68 Retrofit First, Not Retrofit Only: A focus on the retrofit and redevelopment of 20th century buildings, London Property Alliance (2022) [↑](#footnote-ref-7)