

CITY **PLAN** **2019 – 2040**

ECONOMY AND EMPLOYMENT TOPIC PAPER

NOVEMBER 2019

1. Introduction

1.1. Westminster City Council has prepared a new City Plan 2019-2040, which sets out the council's vision to make Westminster a city of excellence in all areas. The purpose of this topic paper is to demonstrate how key growth policies within the Economy and Employment section of the City Plan have been developed and evidenced. It pulls together and supplements earlier topic papers titled "[Commercial Growth Evidence Topic Paper June 2019](#)" and "[Convenience Retail Evidence Topic Paper June 2019](#)". It covers the following City Plan policies:

- Policy 14: Supporting economic growth;
- Policy 15: Town centres, high streets and the CAZ;
- Policy 16: Visitor economy; and
- Policy 17: Food, drink and entertainment.

1.2. For each of these policies, this topic paper sets out:

- the purpose of the policy;
- how it conforms with relevant NPPF and London Plan policy;
- how it is supported by evidence (including the topic papers referred to above); and
- consideration of key issues raised at Regulation 19 consultation on the Plan.

1.3 Beyond the policies addressed in this topic paper, the economy and employment section of the City Plan also includes policies on a number of areas containing clusters of activity in certain economic sectors. Justification of the council's approach to these areas is provided in the "[Special Policy Areas Topic Paper June 2019](#)".

2. Policy 14: Supporting economic growth

Purpose of the policy

2.1 Policy 14 seeks to maintain and enhance Westminster's role as a global office centre, meeting the needs of a diverse range of businesses, and providing jobs in key growth sectors for Londoners and beyond. It provides direction of where new office and B1 floorspace should be located, and seeks to halt past losses of office floorspace in recognition of this threat to central London's (and therefore the UK's) global economic competitiveness. It takes account of the impact of changing working patterns on likely future demand for additional office space, encourages the provision of affordable workspace, and supports economic activity beyond core office markets in more deprived parts of the city - to help achieve the council's ambitions as a City for All.

Justification for the approach taken

2.2 It is the council's view that policy 14 is consistent with national planning policy, is in general conformity with the New London Plan, and is supported by a proportionate evidence base.

Relationship to national policy

- 2.3 The NPPF sets out that planning policies should support economic growth and productivity, taking into account business needs, opportunities for development, new and flexible working practices, and an understanding of an area's strengths and challenges. It highlights the importance of continued economic growth in areas with high levels of productivity, and supports the clustering of networks of key growth sectors such as knowledge, data-driven, creative or high technology industries.
- 2.4 Paragraph 81 sets out that planning policies should '*set out a clear economic vision or strategy*', and '*set criteria, or identify strategic sites...to match the strategy*'. Paragraph 16b also states that plans should be '*be prepared positively, in a way that is aspirational but deliverable*', whilst paragraph 35b states that for plans to be justified they should be '*an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence*'.
- 2.5 Supporting the NPPF, Planning Practice Guidance advocates the use of housing and economic land availability assessments to inform how employment needs can be met alongside housing needs in a plan-making area. It also sets out that evidence for business uses should take account of market signals including sectoral employment forecasts, assessments of labour supply, analysis of past employment land take-up, and consultation with relevant organisations.
- 2.6 The approach set out in policy 14 of the City Plan recognises Westminster's vital role as part of central London's global office market, where highly productive key growth sectors cluster. It therefore sets out a clear strategy to support continued economic growth, providing broad direction of where new and improved office and B1 floorspace will be welcomed (clause A), and protection against further loss of office floorspace, subject to some exceptions (clause D). It recognises the role of new working practices such as co-working space and flexible working on future demands for workspace (paragraph 14.2), and takes account of likely capacity for growth.
- 2.7 A dedicated housing and economic land availability assessment has not been produced, as the existing dense built form, mix of uses, and nature of development pressure in Westminster does not lend itself to allocating employment sites as occurs elsewhere in the country. Instead the plan is supported by the findings of the [London Office Policy Review 2017](#) (LOPR), which has considered market signals, and scenario testing of how intensification of existing built up areas can support continued commercial growth. Both are discussed further in the supporting evidence section below.

Relationship to the London Plan

- 2.8 Although the New London Plan is yet to be adopted, its examination has now concluded, and the Panel of Inspectors report published. While the Mayor's response to the panel's recommendations are not known at this stage, limited changes to the economic growth policies directly affecting Westminster have been recommended.
- 2.9 The New London Plan largely follows the strategic direction of the existing London Plan regarding economic growth, albeit several matters are strengthened or covered in more detail than previously. Key requirements of the New London Plan of particular relevance to Westminster include that:

- London's global economic competitiveness is conserved and enhanced, and that economic success is shared amongst all Londoners (Policy GG5 growing a good economy);
- *'the nationally and internationally significant office functions of the CAZ should be supported and enhanced, including the intensification and provision of sufficient space to meet demand for a range of types and sizes of occupier and rental values'* (Policy SD4 The Central Activity Zone);
- offices and other CAZ strategic functions are prioritised over residential, and residential or mixed-use development should not result in a net loss of office floorspace (Policy SD5 offices, other strategic functions and residential development in the CAZ);
- *'improvements to the quality, flexibility and adaptability of office space...should be supported by new office provision, refurbishment and mixed use development'*, and increases in office stock should be supported in the CAZ (Policy E1 offices);
- town centres should be the main focus of commercial activity beyond the CAZ (SD6 town centres);
- policies should support a range of B use class business space (Policy E2 providing suitable business space), and in certain circumstances support affordable workspace (Policy E3 affordable workspace);
- the evolution of London's economic diversity should be supported through a range of types of workspace including SME space, co-working space, and conventional space for expanding businesses (Policy E8 sector growth opportunities and clusters); and
- support for strategically important serviced accommodation (i.e. hotels) in the CAZ is *'subject to the impact on office space and other strategic functions'* (Policy E10 visitor infrastructure).

- 2.10 The only changes to these policies recommended by the Panel of Inspectors is that policy GG5 is re-presented as an objective rather than policy, and that policy E2 should not refer to rent levels of workspace.
- 2.11 Policy 14 of the City Plan is in general conformity with the key principles of the New London Plan. The importance of the office functions of the Central Activities Zone (CAZ) is recognised both in terms of directing office growth there (clause A), and introducing a more protective stance than the previous City Plan against the loss of office space to other uses such as residential and hotels (clause D). Office and B1 growth are also supported in the NWEDA and town centres (clause A) to help ensure all sectors of society benefit from London's and Westminster's continued economic success. For this reason, policy also welcomes affordable workspace (clause C), and seeks to protect SME space in the NWEDA (clause E). Requirements for a percentage of all new workspace to be affordable are not specified in recognition of the likely impact on development viability, and the opportunities offered by co-working space to provide for a range of businesses needs in a high value, central London context.
- 2.12 Policy 14 focusses on office and B1 floorspace as opposed to wider B uses to reflect the dense, highly urbanised characteristics of Westminster, the intense pressure for efficient use of land in the city, and the lack of any existing designated Strategic Industrial Land or Locally Significant Industrial Sites.
- 2.13 It is acknowledged that the New London Plan seeks that Development Plan Documents define the predominantly residential parts of the CAZ (Policy SD5 offices, other strategic functions and residential development in the CAZ). The dense built form of much of Westminster, where much of the city is designated as CAZ, makes such detailed mapping

unfeasible. For the purposes of implementing clause D1 of the City Plan, a judgement call on the character of the surrounding area to which a proposal relates will therefore be required.

Supporting evidence

- 2.14 Key evidence supporting the approach set out in policy 14 includes the:
- [London Office Policy Review \(2017\)](#);
 - [Commercial Growth Evidence Topic Paper \(2019\)](#); and
 - [Integrated Impact Assessment \(2019\)](#)
- 2.15 The [London Office Policy Review 2017](#) (LOPR) provides a comprehensive review of future demand for office space across London, based on market signals including employment forecasts, trends in availability of space, take-up rates and rental growth. It also includes some analysis of the impact of permitted development rights, and uncertainties caused by Brexit and emerging workstyles. It was produced in consultation with input from the property industry to ensure it was underpinned by an understanding of the London property market and its relationship with the wider south east.
- 2.16 To forecast future demand for office space, the LOPR attributes the GLA's sector level employment forecasts to individual boroughs, which are then converted to floorspace requirements based on analysis of average employment densities of 11.3sq m per worker. As set out in figure 9.6 (page 162) of the document, this results in projections of 75,058 office-based jobs in Westminster over the period 2016-2041, which equates to 848,160sq m of additional office floorspace using the 11.3sq m per worker ratio. Figure 9.8 (page 165) of the LOPR meanwhile, indicates that allowance for frictional vacancy for the market to operate effectively, and the extent to which existing floorspace operates at lower than average employment densities, would result in a much lower requirement of 213,289sq m. This significant reduction in estimates can largely be attributed to lots of Westminster's existing office stock being inefficiently configured. Finally, the LOPR notes that trend-based data would indicate a net increase in office floorspace is not required – since past trends have seen a net loss of office floorspace in Westminster.
- 2.17 As set out in paragraph 14.2 the City Plan, the headline targets of office-based jobs contained in the LOPR has been adjusted on a pro-rata basis to reflect the plan period (with some rounding). Accurately predicting how much additional office floorspace is required to meet these targets is challenging, as highlighted by the large range in the figures provided in the LOPR. As set out in paragraph 14.2 of the City Plan, this is due to uncertainties over:
- the extent to which office jobs growth is accommodated through new floorspace, or the modernisation of dated stock to achieve higher employment densities; and
 - the extent to which agile working continues to grow, and the impact this may have on suppressing requirements for additional office floorspace.
- 2.18 The City Plan therefore sets 445,000sq m as a reasonable amount of office floorspace growth to plan for – as a mid-point between the different LOPR scenarios, adjusted to the plan period. This allows for jobs growth to be provided for through a combination of additional and modernised floorspace, and is considered '*an appropriate strategy, taking into account the alternatives*' in accordance with the NPPF. Trend based projections from the LOPR are not factored in to this calculation; due to the policy intention to halt past losses of office floorspace from the CAZ, in accordance with the New London Plan.

- 2.19 As the City Plan does not allocate specific sites for employment purposes, the [Commercial Growth Evidence Topic Paper](#) provides justification that projected levels of jobs growth are deliverable, having regard to existing built form, and the nature of future development opportunities. This sets out how through a range of different scenarios, increased building height in key commercial areas can deliver a substantial uplift in B1 space, alongside increases in retail, complementary town centre uses, and residential development. Details of the assumptions used to underpin this modelling, including broad mix of uses expected, and development constraints that have been applied, are set out in section 4 of the [Commercial Growth Evidence Topic Paper](#).
- 2.20 The City Plan's [Integrated Impact Assessment](#) (IIA) also supports policy 14. As set out in Annex to the IIA, overall no negative effects of the policy on IIA objectives, and major positive effects on the objectives of health and wellbeing, transport, employment opportunities, and the economy, have been identified.

Regulation 19 consultation

- 2.21 As set out in the [Consultation Statement](#), there has been some criticism from consultees at regulation 19 that:
- commercial targets in policy 14 are not ambitious enough, and fail to recognise the role of non-office based employment;
 - policy should not be so protective of existing office stock, and further scope should be provided for conversion to other uses including hotels and residential; and
 - requirements for an 18 months marketing test are excessive.
- 2.22 The council rejects these criticisms of the plan and suggests that none of them call into question the soundness of the plan as an appropriate strategy for the area. Neither the NPPF or the New London Plan require that the plan includes a 'total jobs' target, and the absence of such a target does not preclude jobs growth in other sectors that are supported through other policies in the plan. The council acknowledges that alternative studies have been produced that set out ambitious total job's targets for certain parts of the city. These include:
- the Oxford Street District: An Economic Assessment (Volterra Partners, 2018), which suggests a target of 2,500 new total jobs per annum in the Oxford Street District; and
 - [the West End Good Growth: Identifying future growth scenarios for Oxford Street and the West End \(Arup, 2018\), which suggests 96,000 total jobs across the West End to 2041.](#)
- 2.23 However, unlike the targets included in the City Plan, neither of these targets have been informed by any assessment of likely development capacity, having regard to townscape, heritage and character. They do not therefore take sufficient account of key development constraints to ensure they are deliverable as well as ambitious, as required by the NPPF.
- 2.24 The council also maintains that high levels of past loss of office space – as documented in paragraph 14.1 of the City Plan, justifies a more protective policy position than in previous plans, and is in conformity with the requirements of the New London Plan. While it is accepted that hotels play a vital role in supporting London's visitor economy and are a CAZ compatible use, meeting demand for future hotel growth in the CAZ should not be at the expense of its strategic office function. Furthermore, loss of office floorspace to residential development will also compromise the commercial functions of the CAZ, which the New London Plan prioritises. Finally, marketing tests are set at a level that is considered

reasonable in meeting policy objectives of ensuring office floorspace is only lost where there is no genuine demand for it.

3. Policy 15: Town centres, high streets and the CAZ

Purpose of the policy

- 3.1 Policy 15 seeks to manage and enhance Westminster's town centres, high streets, and the CAZ – ensuring such areas continue to provide an appropriate mix of town centre uses that responds to the challenges facing the retail industry, while supporting projected growth in consumer expenditure. It aims to ensure the retail function of these areas is not compromised, but instead supported, by complementary uses, diversification and innovation, that continues to draw in footfall and consumer spend. It also seeks to balance the competing functions of the CAZ, and ensure the day to day shopping needs of communities in largely residential areas can continue to be met.

Justification for the approach taken

- 3.2 It is the council's view that policy 15 is consistent with national planning policy, is in general conformity with the New London Plan, and is supported by a proportionate evidence base.

Relationship to national policy

- 3.3 Paragraph 20a of the NPPF states that '*strategic policies should set out an overall strategy for the pattern, scale and quality of development, and make sufficient provision for housing (including affordable housing), employment, retail, leisure and other commercial development*'. Paragraph 85 then goes on to set out that planning policies should:
- define a network and hierarchy of town centres, and make clear what uses are permitted within them as part of a positive strategy that allows them to grow and diversify in response to changes in the retail and leisure industries;
 - support markets within town centres;
 - allocate a range of sites in town centres to meet anticipated needs for retail, leisure, office and other main town centre uses, or where not possible, allocate edge of centre sites; and
 - encourage residential development on appropriate sites.
- 3.4 Policy 15 of the City Plan sets out a positive strategy for the future intensification and diversification of Westminster's town centres, high streets and the CAZ in accordance with the NPPF. It defines clear boundaries to the complex network of centres in Westminster (as shown on figure 15 and the policies map), outlines the role and function of different centres in the hierarchy (in paragraphs 15.14 – 15.26), and sets a framework for how proposals for new town centre uses will be determined in a manner that supports town centre vitality and viability. It also supports well managed markets in recognition of the benefits they can bring to commercial areas (clause G). Under clause B, residential development in the town centre hierarchy is directed to upper floors, where it will not break continuous active frontages, and away from the International Centres, where it could compromise their continued international commercial focus.
- 3.5 The City Plan does not allocate specific sites within the town centre hierarchy for retail, leisure or other town centre purposes. The dense, mixed use nature of much of

Westminster, and commercial development patterns that are based on landowner willingness to reinvest in high value existing stock, makes it very difficult to make any such allocations with any degree of certainty. Policy 15 therefore instead sets a supportive framework to guide future investment in our town centres. This has then been supported by testing of possible growth scenarios to demonstrate anticipated development needs can be met in a sustainable manner, as set out in the [Commercial Growth Topic Paper \(July 2019\)](#), and discussed further in the evidence section below.

Relationship to the London Plan

- 3.6 While following the broad strategic direction of the existing London Plan in terms of supporting town centre vitality and viability and the role of the CAZ, the New London Plan provides several detailed considerations of relevance to City Plan Policy 15. As the majority of Westminster's town centres and high streets fall within the CAZ (as can be seen on figure 15 of the City Plan), Policy SD4 (The Central Activity Zone) of the New London Plan is of particular relevance. This requires:
- that the vitality, viability, adaptation and diversification of the International Centres of the West End and Knightsbridge, the West End Retail and Leisure Special Policy Area (WERLSPA), and CAZ Retail Clusters should be supported;
 - the conservation and enhancement of predominantly residential neighbourhoods; and
 - that Development plans define detailed boundaries of the CAZ, town centres (including international centres), CAZ Retail Clusters, and Special Policy Areas.
- 3.7 Beyond the CAZ, the New London Plan also provides further direction on approaches to other town centres. This includes that:
- town centres should be the primary locations of commercial activity beyond the CAZ, and that their diversification should be supported in response to the challenges they face (Policy SD6 town centres);
 - boroughs should support a town centre first approach to main town centre uses; define town centre boundaries; assess the need for main town centre uses and allocate sites for such development; identify sites with particular scope for new commercial development; and support temporary or meanwhile uses (Policy SD7 town centres development principles and DPDs);
 - comparison goods retailing should be the focus for international and major centres (alongside employment and leisure growth); district centres should focus on convenience retailing, other town centre uses and higher density mixed use residential development; and local centres should focus on day to day goods and services (Policy SD8 town centre network);
 - while changes to the classification of district and local centres and CAZ retail clusters can be altered through local plans, changes to the classification of international and major centres can only happen through the London Plan (Policy SD8 town centre network); and
 - policies should '*prevent the loss of retail and related facilities that provide essential convenience and specialist shopping*'; that markets should be supported in town centres and the CAZ; and clusters of uses should be managed '*having regard to their positive and negative impacts*' (Policy E9 retail, markets and hot food takeaways).
- 3.8 No substantive changes to these policies of relevance to policy 15 of the City Plan have been recommended by the Panel of Inspectors in their findings on the examination of the New London Plan.

- 3.9 Policy 15 of the City Plan is in general conformity with the key principles set out in the New London Plan. It refines the detailed boundaries of all town centres¹, informed by local evidence (see evidence section below), seeks to re-classify only some CAZ retail clusters and local centres, and reiterates the town centre first approach to new main town centre uses.
- 3.10 Enhancements to the vitality and viability of the International Centres is supported through continued comparison led retail growth, along with complementary uses on upper floors, and in some circumstances at ground floor, to support diversification and innovation in the sector. Policy 15 also seeks to carefully balance the mix of uses in CAZ Retail Clusters as home to some of the most significant clusters of retail activity in the CAZ, whilst offering much greater flexibility of uses in the wider area defined as the West End Retail and Leisure Special Policy Area (WERLSPA). Beyond these designations, it balances the competing functions and character of the CAZ by supporting a range of town centre uses subject to their impact on those parts of the CAZ that are largely residential in nature (clause H).
- 3.11 Outside of the CAZ, policy 15 supports the more localised functions of Westminster's Major, District and Local Centres in meeting the needs of surrounding residential communities. Again, the policy seeks to balance the need for centres to diversify and adapt to their challenges, whilst also providing sufficient safeguards to ensure such flexibility does not compromise their retail function, and the clustering of uses with negative impacts can be avoided.
- 3.12 Across the town centre hierarchy, in principle support is provided for meanwhile uses (clause F) and markets (clause G) in recognition of the positive role such uses can play in enhancing vitality and viability. Scope is also provided for growth in residential use at upper floors in most centres, to help sustain them. As set out in the plan, residential development is not supported in International Centres though. This recognises that as London's premier outdoor retail destinations, these larger centres do not need supporting by an increased residential presence in the way some smaller centres may. The scale of commercial activity in these centres, and their international standing means they attract high levels of footfall and cover a wide catchment area. There is also a danger that supporting residential growth in these areas could compromise the operational requirements of businesses, and fetter future opportunities for continued commercial growth.
- 3.13 Outside of the town centre hierarchy and the CAZ, policy recognises the important role of isolated convenience stores, and notwithstanding the difficulties of preventing an A1 convenience retail store changing to an A1 comparison retail store, seeks to protect convenience retail (clause J). This aims to ensure essential convenience shopping facilities are not lost for local residents.
- 3.14 The plan does not seek to quantify demand for all town centre uses and allocate sites to meet this need in Westminster's town centres for the reasons set out in the above section on the policy's relationship to national policy. Instead intensification of existing centres is supported through policy 15, and guidance in policy 41 regarding upwards extensions.

Supporting evidence

- 3.15 Key evidence supporting the approach set out in policy 15 includes:

¹ SPA boundaries have also been defined – justification is set out in the Special Policy Areas topic paper, June 2019

- [Consumer Expenditure and Comparison Goods Floorspace Need in London, Mayor of London \(2017\)](#);
- [Convenience Retail Evidence Topic Paper \(2019\)](#);
- [Town Centre Health Check Report 2018/19](#);
- [Commercial Growth Evidence Topic Paper \(2019\)](#);
- [Integrated Impact Assessment \(2019\)](#)

3.16 The [Consumer Expenditure and Comparison Goods Floorspace Need in London](#) report by the Mayor of London provides evidence of the likely future consumer expenditure in London, and forecasts of the resulting need for additional comparison retail space. It focusses on comparison goods as the main source of future retail growth, and disaggregates projections by borough. Projections take account of:

- resident, commuter, and tourist levels of expenditure;
- increases in demand arising from economic growth and population growth (which both increase spending capacity);
- the impact of increasing levels of sales happening online (which reduces demand for new retail floorspace);
- the impact of stores operating at higher sales densities (which reduces the amount of floorspace retailers need to achieve the same sales); and
- the impact of new retail developments in meeting projected demand.

3.17 Scenarios tested in the above report indicate a demand of between 284,693sq m and 399,021sq m of additional comparison retail floorspace in Westminster, over the period 2015-2041, as set out in paragraph 15.3 of the City Plan (as modified in the schedule of modifications). Over the time period covered by the City Plan, this equates to between 229,944sq m and 322,286sq m. These figures represent a substantial contribution to London's future comparison retail growth needs, reflecting Westminster's position as home to several large, successful, well connected centres that are used by a mixture of residents, commuters, domestic and overseas visitors. The City Plan therefore seeks to provide a positive framework to enable these needs to continue to be met.

3.18 As the [Consumer Expenditure and Comparison Goods Floorspace Need](#) report only looks at comparison retail, the council have also provided some analysis of convenience retail provision, as set out in [the Convenience Retail Evidence Topic Paper \(June 2019\)](#). In the absence of any convenience retail spend projections, this documents existing high levels of convenience shopping floorspace in Westminster, and the extent to which this already provides for the majority of resident's day to day shopping needs within 10 minutes' walk from their home. It also documents how existing provision aligns with areas with higher residential population densities, and areas of anticipated future growth such as Opportunity Areas and the town centre hierarchy. Another key finding was that some convenience stores outside of the town centre hierarchy play an important role in ensuring residents whom are not close to a town centre have easy access to their day-to-day shopping needs – justifying the approach set out in policy clause J to protecting isolated convenience stores.

3.19 The [Town Centre Health Check Report 2018/19](#) provides an assessment of the health of town centres in Westminster, combining ground floor land use data with a qualitative survey of individual centres to further assess matters such as diversity of uses, levels of activity, and environmental quality. This found most centres in Westminster to be performing well. Key recommendations of the study that have helped inform policy 15 of the City Plan, include:

- some alterations to the town centre hierarchy, and simplification of designations from previous plans – such as an expanded WERLSPA to replace the previous West End Retail

Special Policy Area (WERSPA), and the re-categorisation of 'other centres in the CAZ' as either CAZ Retail Clusters, Local Centres, or as part of the WERLSPA;

- detailed boundary adjustments (set out in the schedule of changes to the policies map) to better capture areas of commercial character, having regard to forthcoming development schemes;
- a more flexible policy approach that balances protection of retail function against the need for diversification in the sector, including a move away from the use of primary and secondary frontages with rigid targets for percentage of A1 units;
- a continued town centre first approach to commercial uses;
- protection of A1 convenience retail;
- support for meanwhile uses and street markets; and
- support for residential intensification in smaller centres.

- 3.20 Beyond known redevelopment proposals, the [Town Centre Health Check Report 2018/19](#) did not identify any obvious opportunities for large scale retail growth. The City Plan therefore seeks to provide a supportive framework for the continued intensification of town centres, in a manner that respects local character. In the absence of site allocations related to town centre uses, the [Commercial Growth Topic Paper \(2019\)](#) therefore demonstrates how additional retail and leisure floorspace could be delivered alongside projected office floorspace growth, through the intensification of existing centres. While detailed proposals will need to be informed by more in-depth site-specific analysis, the [Commercial Growth Topic Paper](#) does demonstrate that accounting for key heritage constraints, there is scope to exceed projected demand for comparison retail floorspace growth in Westminster of 229,944sq m and 322,286sq m over the period 2019-2040. It also demonstrates capacity for this to be supplemented by other commercial uses, which could encompass convenience retail, leisure, and other complementary uses.
- 3.21 The findings of the City Plan's [Integrated Impact Assessment](#) (IIA) also support policy 15 of the City Plan. As set out in the Annex of that document, overall it identifies no negative effects of the policy on IIA objectives, and major positive effects on the objectives of communities, crime reduction, housing, health and wellbeing, transport, employment opportunities and the economy.

Regulation 19 consultation

- 3.22 As set out in the [Consultation Statement](#), key areas of criticism of policy 15 received during regulation 19 include:
- that the plan includes an overly prescriptive approach to protecting A1 retail;
 - that marketing requirements for proposals involving the loss of A1 retail are excessive; and
 - that it is unclear how retail growth will be accommodated.
- 3.23 The council rejects these criticisms and suggests that none of them call into question the soundness of the plan as an appropriate strategy for the area. Policy 15 offers a significantly more flexible approach to development in town centres and high streets than the existing adopted policies from the Unitary Development Plan that it seeks to replace. These now outdated policies included blanket protection of A1 retail at ground floor and basement levels in the International Centres, CAZ and CAZ frontages; prescriptive percentage limitations of how much non-A1 retail could be provided at the ground floor in District Centres; and only allowed for change of use of ground floor A1 in Local Centres in exceptional circumstances. By contrast, policy 15 of the City Plan offers scope for some non-

A1 uses throughout the town centre hierarchy, at ground floor and beyond, provided certain conditions are met. It also takes a proportionate approach to the town centre hierarchy; placing the strongest level of protection on the centres at the top of the hierarchy i.e. the International Centres. No limitations are placed on non-A1 uses in the surrounding WERLSPA and CAZ, offering flexibility for these broader geographic areas to provide a higher level of non-retail activity. The council considers that this, alongside the scope offered for ancillary and meanwhile uses and investment in the public realm, will all help increase footfall and dwell time, as part of the solution to the challenges facing the sector. Beyond this, interventions by operators that fall outside the remit of land use planning will also be necessary to meet the challenges the high street faces – which could include better integration between physical stores and their online presence, a more bespoke offer to customers, and improved customer service.

- 3.24 Marketing requirements are considered reasonable in ensuring ground floor A1 retail space is not lost unnecessarily, when market demand for such use exists. As referred to in the [City Plan Viability Report](#), such a time period reflects the reasonable void assumptions that developers would make in their appraisals when bidding for sites. Furthermore, the scope within policy for temporary or meanwhile uses can counteract concerns that such requirements could lead to long term vacancies – as units can be used on a temporary basis for non-A1 uses while an alternative A1 occupier is sought.
- 3.25 In terms of how retail growth will be accommodated, the council considers that the plan is sufficiently clear that this will be achieved through a town centre first approach to development, which will require the intensification of existing centres through a combination of upwards extensions and the replacement of existing buildings with larger ones. The [Commercial Growth Topic Paper \(June 2019\)](#) sets out how such development options can achieve retail growth.

4. Policy 16: Visitor economy

Purpose of the policy

- 4.1 Policy 16 recognises that the range of attractions on offer in Westminster have a global appeal, and the visitor economy is of national importance. It therefore seeks to support its continued success, by protecting, supporting and expanding the arts, cultural, and hotel offer, and supporting well managed events, in a manner that respects residential amenity and the needs of the business community. It sets out broad locations for growth in key sectors.

Justification for the approach taken

- 4.2 It is the council's view that policy 16 is consistent with national planning policy, is in general conformity with the New London Plan, and is supported by a proportionate evidence base.

Relationship to national policy

- 4.3 Paragraph 20 of the NPPF sets out that strategic policies should make sufficient provision for a range of uses including leisure and commercial development and cultural infrastructure. Paragraph 85 goes on to state that to support town centres, planning policies should '*make clear the range of uses permitted in such centres*', and allocate a range of

suitable sites to meet anticipated needs, including for leisure, and other town centre uses. Paragraph 92 also indicates policies should plan positively for cultural buildings, while paragraph 185d recognises the contribution of the historic environment to the character of a place.

- 4.4 In response to this, policy 16 of the City Plan provides a supportive framework for a range of arts, cultural, leisure uses and hotels in the town centre hierarchy (and CAZ), recognising their importance to the economy and Westminster's local distinctiveness. However, it does not seek to anticipate levels of future need, for uses such as theatres or cinemas, in which the city already has a world leading offer, and for which demand is inherently linked to fluctuations in visitor numbers to central London. It also does not seek to allocate specific sites for any such uses, given the dense, mixed use pattern of development in Westminster, and competing pressures for sites. Instead, in addition to the town centre hierarchy, Strategic Cultural Areas are identified as broad locations for a range of cultural uses, reflecting their existing character.

Relationship to the London Plan

- 4.5 As with the adopted London Plan, the New London Plan recognises the value of London's cultural assets and visitor economy, of which Westminster is a vital contributor. Policy E10 visitor infrastructure sets out key requirements for the City Plan, which include that:
- *'London's visitor economy and associated employment should be strengthened by enhancing and extending its attractions...';*
 - *'the special characteristics of major clusters of visitor attractions and heritage assets and the diversity of cultural infrastructure...should be conserved, enhanced and promoted';* and
 - *'a sufficient supply and range of serviced accommodation should be maintained'* but that within the CAZ new provision should be *'subject to the impact on office space and other strategic functions'*.
- 4.6 Beyond this, the New London Plan also sets out that:
- existing cultural venues and strategic clusters of cultural attractions should be protected, and new venues in town centres supported (Policy HC5 supporting London's culture and creative industries);
 - boroughs should support the diversification of the night-time economy and protect and support venues such as *'theatres, cinemas, music and other arts venues'* (Policy HC6 supporting the night-time economy);
 - in the CAZ, *'the unique concentration and diversity of cultural, arts, entertainment, night-time economy and tourism functions should be promoted and enhanced'* (Policy SD4 the Central Activity Zone);
 - *'tourist infrastructure, attractions and hotels in town centre locations...should be enhanced and promoted'* (Policy SD6 town centres and high streets); and
 - identifies broad locations as Arts, Culture and Entertainment clusters in the West End and Knightsbridge (Figure 2.16 CAZ diagram).
- 4.7 No substantive changes to these policies of relevance to policy 16 of the City Plan have been recommended by the Panel of Inspectors in their findings on the examination of the New London Plan.
- 4.8 Policy 16 of the City Plan is in general conformity with all of the above key principles of the New London Plan. It provides scope for the expansion of the visitor economy by directing

where new arts, cultural and hotel uses should be located (clause B), offering scope for investment in such uses that supports their business case, through matters such as extensions and provision of ancillary uses (clauses C and H), and supports well managed events in the public realm (clause E). It supports the continued clustering of visitor attractions through the protection of existing arts and cultural uses, and the identification of Strategic Cultural Areas (SCA) in Knightsbridge, at Mill Bank, and in the West End (figure 16). All of these SCA designations fall within the CAZ, and includes world class cultural uses such as the Royal Albert Hall in Knightsbridge, the Tate Britain at Millbank, and the theatres and cinemas of the West End. Designations in Knightsbridge and the West End also form part of wider areas (expanding into neighbouring authorities) identified in figure 2.16 (CAZ diagram) of the New London Plan as Arts, Culture and Entertainment specialist clusters.

- 4.9 Policy 16 also recognises the importance of hotels in the CAZ and town centres in supporting the visitor economy, and the need to balance this against other strategic functions of the CAZ. It does so by directing hotel development away from the predominantly residential parts of the CAZ (clause G), and when used in conjunction with policy 14, to where it will not result in the loss of office floorspace.

Supporting evidence

- 4.10 [The Town Centre Health Check Report 2018/19](#) makes a number of recommendations of relevance to the visitor economy that have informed policy 16 of the City Plan. These include that:
- *‘New hotels should be directed to the CAZ and areas at the higher level of Westminster’s town centre hierarchy and with a high level of public transport accessibility’;* (recommendation 12, page 60) and
 - *‘Leisure uses in town centres should be supported, provided a balanced mix of uses is achieved and residential amenity protected’* in recognition that *‘they contribute to London’s evening economy and help ensure that town centres remain lively beyond shopping hours.’* (recommendation 17, page 60).
- 4.11 Council records on planning permissions granted in the last decade indicate a permissive approach to hotel development that does not fully align with the need to balance the competing functions of the CAZ as set out in the New London Plan. Since January 2009, permission has been granted for a total of 862,326 sqm of new hotel floorspace, compared to 55,093 sqm that has been refused. Of the space granted, 544,418sq m was proposed within the CAZ on sites that would directly result in the loss of 506,375sq m of office floorspace. While not all of these permissions will necessarily be built out, this clearly demonstrates that stronger protection of office space from hotel redevelopment is now necessary to conform with the New London Plan.
- 4.12 The City Plan’s Integrated Impact Assessment also supports policy 16. As set out in the Annex of that document, overall it identifies no negative effects of the policy on IIA objectives, and major positive effects on the objectives of communities, crime reduction, health and wellbeing, transport, employment opportunities, and the economy.

Regulation 19 consultation

- 4.13 As set out in the [Consultation Statement](#), the key area of criticism of policy 16 at regulation 19 consultation relates to hotels. While a range of views have been expressed on this issue, there has been criticism that:

- extensions of existing hotels should not be linked to the upgrading of a hotel (clause H);
- more flexibility should be provided for hotels throughout the CAZ, including in streets of predominantly residential character, and where the previous use was offices;
- more flexibility for hotels in out of centre or edge of centre locations.

- 4.14 The council rejects these criticisms. Parts of the city include low-quality hotels that are poorly maintained and degrade local character. It is therefore considered reasonable that where extensions are proposed, operators are encouraged to take the opportunity to also improve the existing building. This is consistent with requirements of the New London Plan that the visitor economy, including the tourism function of the CAZ, and hotels in town centre locations, should be *'promoted and enhanced'*.
- 4.15 While it is acknowledged that hotels are a CAZ compatible use, and much of the CAZ is commercial in character, it also needs to be recognised that there are parts of the CAZ in Westminster that are wholly or largely residential in character. Directing new hotels to such locations rather than those areas that are already commercial or mixed-use in character would result in a greater level of disturbance to residential amenity, could lead to the hollowing out of residential areas of the CAZ, and is therefore not supported in principle. The loss of office use from the CAZ to facilitate hotel growth is also contrary to the recognition in policy E10 of the New London Plan of the need to consider *'impact on office space and other strategic functions.'*
- 4.16 Finally, support for hotels outside of the town centre hierarchy and the CAZ, without any requirements for testing of sequentially preferable sites, would be contrary to the approach in the NPPF and New London Plan to town centre uses.

5. Policy 17: Food, drink and entertainment

Purpose of the policy

- 5.1 Policy 17 seeks to ensure the future growth of the food, drink and entertainment industries is well managed – so they do not compromise town centre vitality and viability, or residential amenity. It seeks to avoid the proliferation of uses that pose significant risks to public health and disturb residential amenity, whilst protecting existing public houses from redevelopment in recognition of their social, cultural, economic and townscape benefits.

Justification for the approach taken

- 5.2 It is the council's view that policy 17 is consistent with national planning policy, is in general conformity with the New London Plan, and is supported by a proportionate evidence base.

Relationship to national policy

- 5.3 The NPPF emphasises the importance of public health and amenity considerations in the planning process. Paragraph 127f sets out the need to *'create places that are safe, inclusive and accessible and which promote health and well-being'* and acknowledges the need to *secure 'a high standard of amenity for existing and future users'*.
- 5.4 Paragraph 91c sets out that *'planning policies and decisions should aim to achieve healthy, inclusive and safe places which enable and support healthy lifestyles'* including through

providing *'access to healthier food'*. Paragraph 92a recognises the importance of social and cultural spaces in promoting healthy and safe communities, supporting the provision and use of a variety of shared spaces and community facilities including public houses.

- 5.5 Policy 17 is consistent with the NPPF on these matters. Through clause A and paragraph 17.2, it seeks to ensure growth in the food, drink and entertainment industries is appropriately managed to minimise disturbance to existing residents and businesses. Limitations on new hot food takeaways (clause C) recognise the negative role such uses play in supporting unhealthy lifestyles, whilst limitations on shisha smoking facilities (clause F), recognise their negative impacts on health and residential amenity. While it is acknowledged that excessive alcohol consumption can also have negative health implications, support for the protection of public houses is consistent with recognition in the NPPF of their social and community benefits.

Relationship to the London Plan

- 5.6 While following the broad strategic direction of the existing London Plan in terms of supporting a healthy environment, promoting a sense of community, and protecting residential amenity, the New London Plan provides several detailed considerations of relevance to City Plan Policy 17. In summary, these include:
- the need for planning and development to *'promote healthy lives for all Londoners and enable them to make healthy choices'* and *'seek to create a healthy food environment, increasing the availability of healthy food and restricting unhealthy options'* (Policy GG3 creating a healthy city);
 - that development plans and proposals should *'manage clusters of retail and associated uses having regard to their positive and negative impacts... including town centre vitality, viability and diversity... and mental and physical health and wellbeing'* (Policy E9 retail, markets and hot food takeaways);
 - that hot food takeaways should be resisted within 400 metres from a school, or a locally justified boundary, and their over-concentration in town centres should be carefully managed using locally defined thresholds (Policy E9 retail, markets and hot food takeaways);
 - that boroughs should *'protect public houses where they have a heritage, economic, social or cultural value to local communities, or where they contribute to wider policy objectives for town centres, night-time economy areas, Cultural Quarters and Creative Enterprise Zones'* (Policy HC7 protecting public houses); and
 - that the night-time economy is promoted in the CAZ and town centres, in a manner that diversifies the range of night-time activities, and addresses its cumulative impacts on residents and nearby uses (Policy HC6 supporting the night-time economy).
- 5.7 The only change to the above policies recommended by the panel are that policy GG3 be represented as an objective rather than policy, and that policy E9 be less prescriptive in requiring conditions on new hot food takeaways to sign up to the Healthier Catering Commitment. The Mayor's intentions regarding the Panel of Inspectors recommendations are currently unknown.
- 5.8 Policy 17 of the City Plan is in general conformity with the above key principles of the New London Plan. It recognises that hot food takeaways frequently provide unhealthy food options, and that both these and premises where shisha can be consumed compromise the ability of Londoners to make healthy choices. It also recognises that an over-concentration

of such uses can compromise town centre vitality and diversity, rather than complementing town centre retail function, and cause disruption to residents and neighbouring uses. As neither use is an A1 use, policy 17 can be used in conjunction with clauses A and C of policy 15 to resist the over-concentration of such uses where they do not enhance the role and function of a centre, and restrict the number of non-A1 uses consecutively in a frontage.

- 5.9 The approach in policy 17 to hot food takeaways near schools (clause C) is informed by analysis of the implications of the New London Plan thresholds, as set out in the supporting evidence section below. The approach to public houses meanwhile (clause B), seeks to protect them in line with New London Plan policy in recognition of their benefits, while offering scope for their redevelopment to other uses where they clearly do not offer a viable business opportunity.

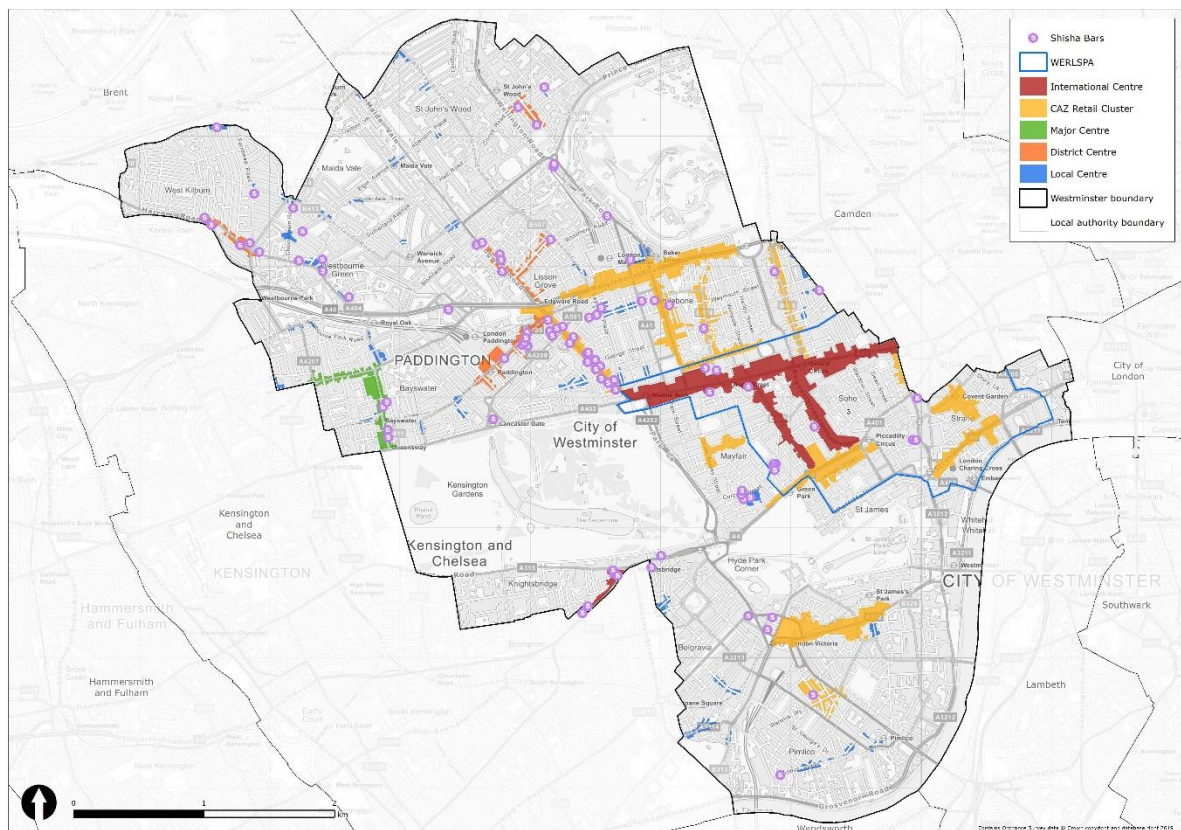
Supporting evidence

Shisha

- 5.10 As set out in the Public Health England document ‘Waterpipe smoking (shisha) in England: the public health challenge²’; despite widespread misperceptions about its potential health risks, the available evidence on shisha smoking indicates it is associated with respiratory disease, cancer, heart disease and lung disease. Tackling the harm such activity causes, alongside the disturbance it can cause to local residents through increased noise and smoke, particularly late at night, is therefore a priority for the council. A co-ordinated strategy on the matter, which land use planning can only be part of the solution to, is therefore being prepared – as set out in the paper ‘reducing the harm of shisha: towards a strategy for Westminster (February 2017)’ - https://www.westminster.gov.uk/sites/default/files/atoms/files/shisha_strategy.pdf
- 5.11 Figure 1 below shows the location of known shisha premises in Westminster, which indicates high levels of activity across some town centres. As set out in [Appendix 2](#) of the [Town Centre Health Check Report 2018/19](#), some clusters of shisha premises were found in centres that are considered to have lower vitality and viability than others. Recommendation 19 (page 60) of the main report meanwhile, also noted that such premises can have a negative impact on residential premises that should be managed. All of these issues combined justify the council’s efforts to minimise the continued expansion of premises serving shisha in the city.

² <http://www.adph.org.uk/wp-content/uploads/2017/03/PHE-ADPH-Shisha-Report-February-2017-.pdf>

Figure 1 – Location of shisha premises



Hot food takeaways

- 5.12 Data from Public Health England’s National Child Measurement Programme (NCMP) indicates high levels of childhood obesity in Westminster. Figures 2 and 3 below shows higher prevalence of obesity in schoolchildren in Westminster than many local authorities in England, and that once children reach year 6, Westminster has on average some of the highest obesity levels, and lowest levels of healthy weight in the country. Such evidence indicates a range of actions are needed to combat this issue. Limiting the availability of hot food takeaways serving unhealthy food close to schools, as set out in the New London Plan, is one part of the solution.

Figure 2: Prevalence of healthy weight and obesity in reception year schoolchildren in England.
Source: Public Health England, National Child Measurement Programme, 2019³

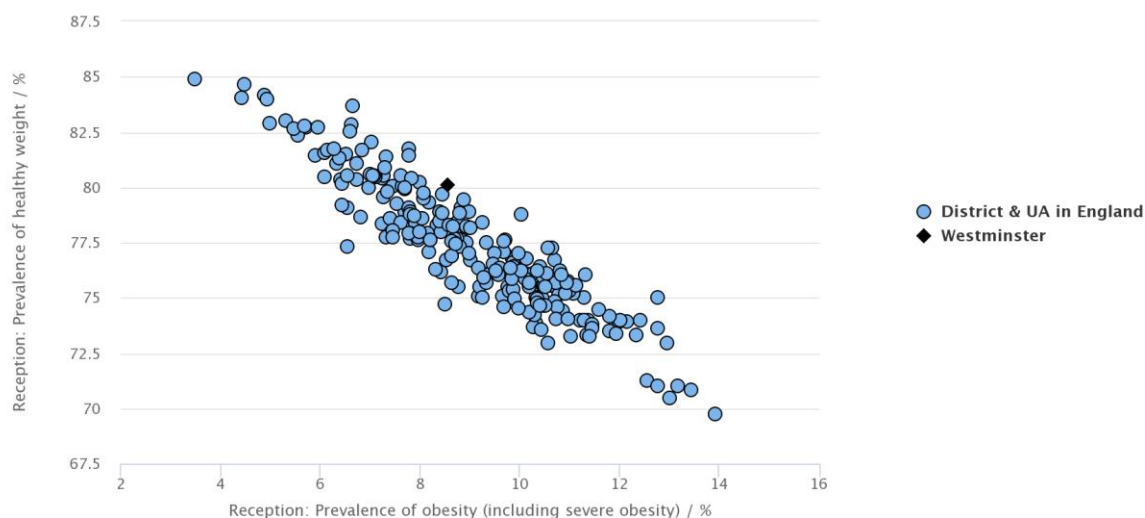
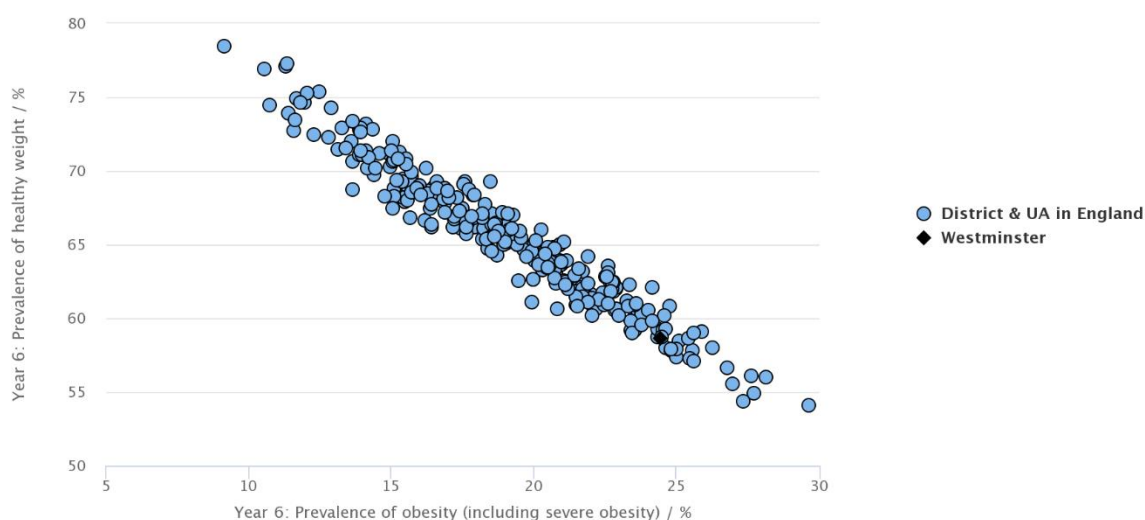


Figure 3: Prevalence of healthy weight and obesity in year 6 (age 10-11) schoolchildren in England.
Source: Public Health England, National Child Measurement Programme, 2019⁴

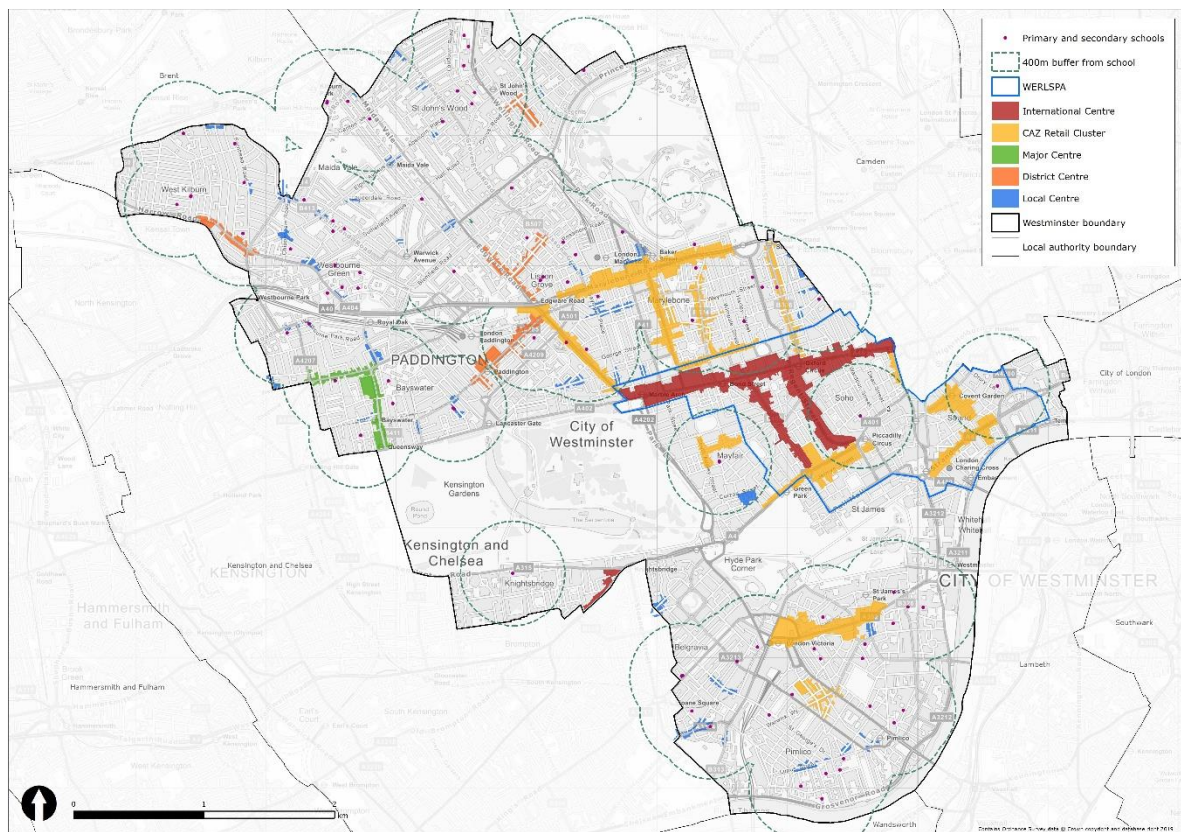


- 5.13 The [Town Centre Health Check Report 2018/19](#) also identified (in [Appendix 2](#)) that some clusters of hot food takeaways exist in centres that are considered to have lower vitality and viability than others, and that policies '*should prevent over-concentrations of hot food takeaways*'. The council have therefore considered the approach set out in the New London Plan. As set out in figure 4 below, the dense nature of development in Westminster means a 400m threshold from schools is overly onerous, as it would mean no A5 hot food takeaways are permissible throughout most of the city. N.B. while buffer zones have been drawn from the centre of a school rather than school entrances as set out in policy, the implications of moving the buffer zone to a school entrance is considered likely to be minimal.

³ <https://fingertips.phe.org.uk/profile/national-child-measurement-programme>

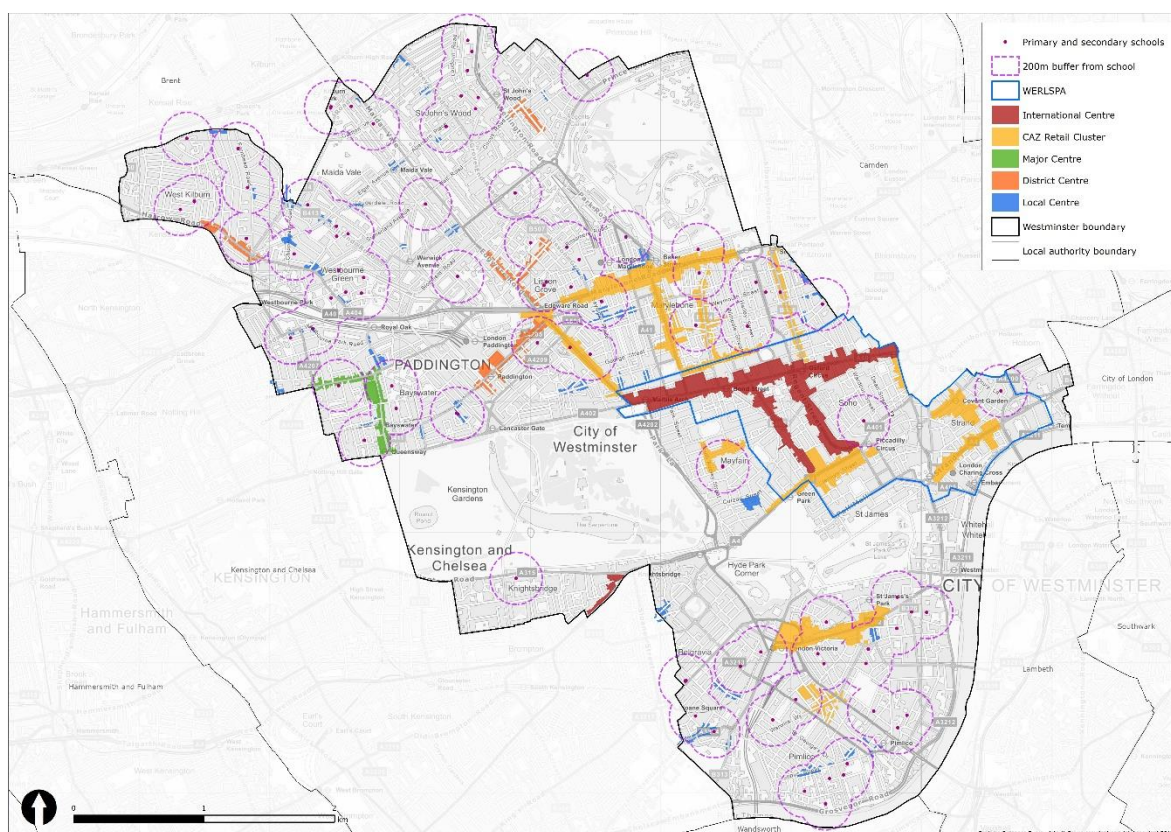
⁴ <https://fingertips.phe.org.uk/profile/national-child-measurement-programme>

Figure 4: 400m buffer zones from schools



- 5.14 Having also found that a 300m threshold is highly restrictive, the 200m threshold set out in policy 17 is considered more reasonable approach in a Westminster context, as this still offers scope for some additional A5 hot food takeaways in parts of Westminster including within the CAZ and some parts of the town centre hierarchy. This recognises that they are a compatible town centre use, and allowance should be made for some new provision, to enable some growth in the city as part of diverse town centres that cater for a range of people's needs.

Figure 5: 200m buffer zones from schools



Public houses

5.15 Like the rest of London, Westminster has experienced significant losses of public houses in recent years, despite the benefits such uses bring to local communities, the visitor economy as set out in the New London Plan. While it is estimated that there has been a 25% loss of public houses across Greater London from the period 2001 – 2016⁵, figure 6 below sets out where public houses, and floorspace from public houses, have been lost or gained in Westminster since 2009. This coincides with a 43% loss in LGBT+ venues in Westminster since 2006⁶.

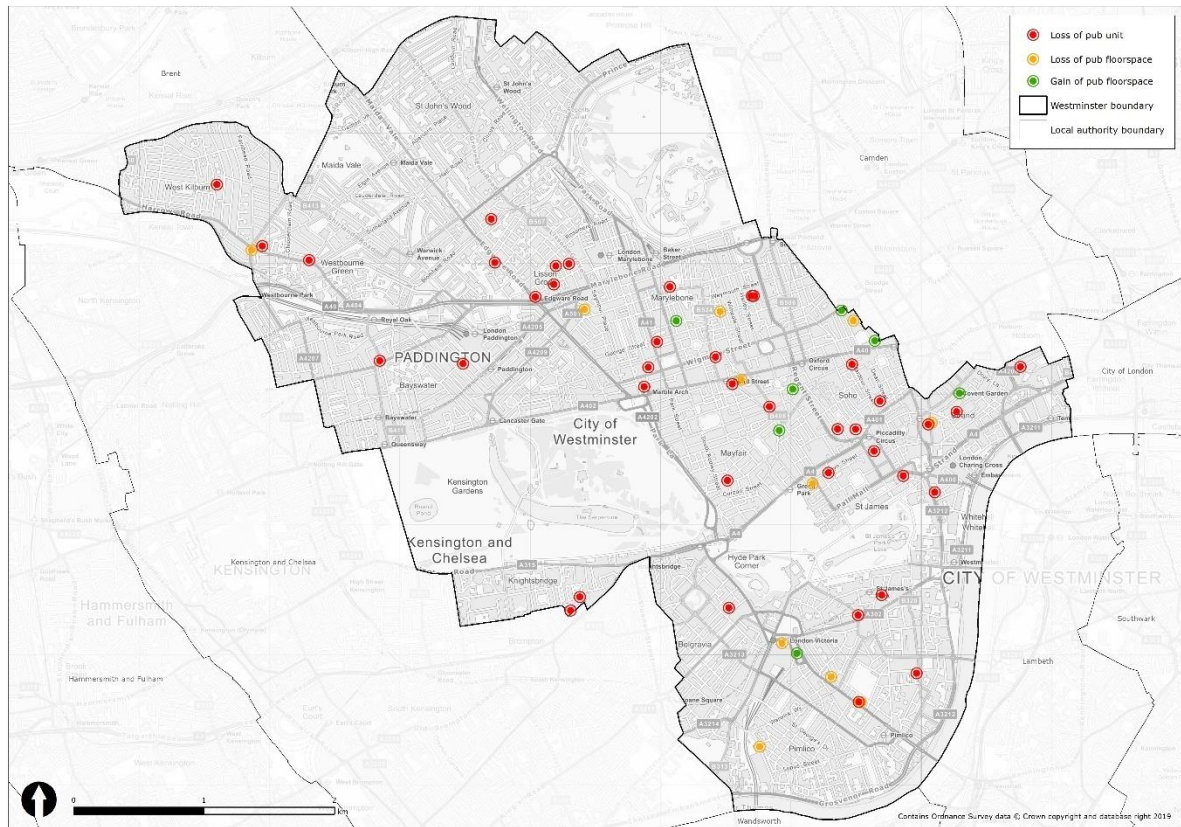
5.16 Figure 6 below shows losses across much of the city, which could be a result of a combination of factors, including:

- The increased cost of alcohol, and its cheaper availability in shops off-licenses, and on-line making drinking at home more commonplace;
- Demographic changes to communities;
- Increased land values incentivising redevelopment of premises for alternative uses such as residential and hotels; and
- the impact of permitted development rights, which meant that prior to amendments to the use class order in 2017, change of use of a public house did not always need planning permission.

⁵ <https://www.london.gov.uk/sites/default/files/closing-time-pubs-final.pdf>

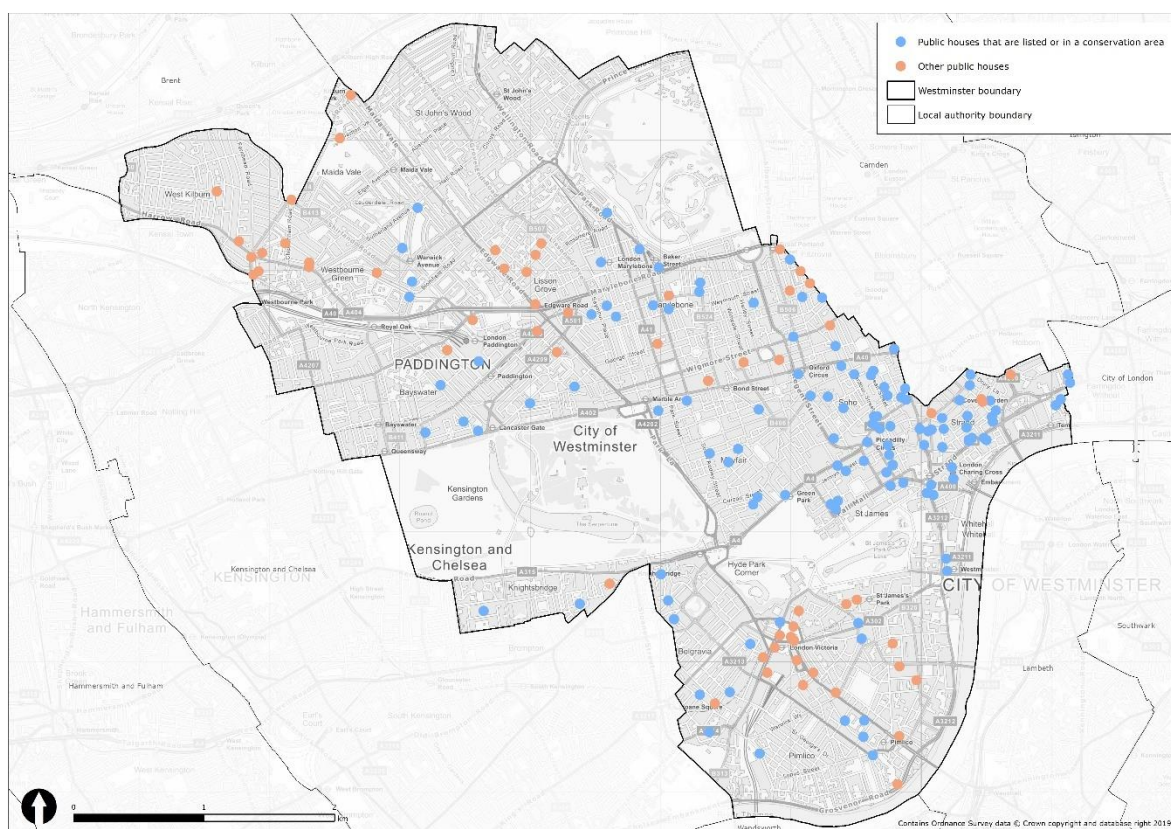
⁶ <https://www.london.gov.uk/press-releases/mayoral/mayor-pledges-support-to-lgbt-venues-in-london>

Figure 6: Loss of public houses since 2009



- 5.17 Whilst the community benefits of public houses are acknowledged in the New London Plan, successful applications to designate specific public houses in Westminster as Assets of Community Value by community groups provides further evidence of their community value. To date, four public houses in Westminster have been designated as Assets of Community Value. These are:
- The Star Public House, St Johns Wood Terrace
 - The Swan and Edgar Public House, Linhope Street
 - The Carlton Tavern, Carlton Vale
 - The Coach and Horses, Greek Street.
- 5.18 Beyond their social and economic benefits, many of Westminster's public houses make a positive contribution to townscape and heritage, which can be eroded through redevelopment proposals. Such value is recognised through their designation as listed buildings or inclusion within Conservation Areas. As shown in figure 7 below, the majority of public houses within Westminster are subject to such designations.

Figure 7: Public houses with heritage value



- 5.19 The [Town Centre Health Check Report 2018/19](#) also recommends the protection of public houses in recognition of their benefits, noting that *'local pubs should be protected'* as they *'can contribute to the vibrancy of town centres thanks to their social function as places for communities to gather and contribute to the ENTE'* (recommendation 16, page 6).

Integrated Impact Assessment

- 5.20 The City Plan's [Integrated Impact Assessment](#) also supports the approach in policy 17. As set out in its Annex, overall it identifies no negative effects of the policy on IIA objectives, and major positive effects on the objectives of communities, crime reduction, health and wellbeing, employment opportunities, and the economy.
- 5.21 Since Regulation 19 consultation on the City Plan, an [Addendum](#) to the Integrated Impact Assessment has also been prepared, to provide greater clarity of how the impacts of policies on groups with protected characteristics have been considered. Of particular relevance to policy 17, this acknowledges that while aspects of policy such as limiting new shisha bars and protecting public houses could have some negative impacts on certain groups, the policy as a whole is considered to have a positive impact across all groups; recognising the benefits of a healthy environment, and the social/ community benefits public houses can provide.

Regulation 19 consultation

- 5.22 As set out in the [Consultation Statement](#), there has been some criticism of policy 17 at regulation 19 consultation. Key criticisms include:

- competing views that the approach to shisha is either overly restrictive and discriminatory, or not restrictive or prescriptive enough;
- that the approach to hot food takeaways is not evidence based;
- competing views that the policy either does not sufficiently protect traditional public houses, or that marketing requirements are excessive; and
- that the move away from prescriptive policies included in previous plans may necessitate the production of further guidance.

5.23 In terms of further guidance, the council is preparing a vision for the Evening and Night-Time Economy, and reviewing our licensing policies to ensure greater alignment between licensing and planning regulation. Beyond this, the council rejects the above criticisms, and suggests that none of them call into question the soundness of the plan as an appropriate strategy for the area.

5.24 Policy on shisha premises takes a proportionate approach to managing their negative impacts to the extent that is possible within planning policy, whilst not seeking to introduce prescriptive requirements that are not fully justified by evidence. As set out in the EQIA supporting the plan (incorporated into the IIA), rather than being discriminatory against particular groups, the policy is considered to have positive impacts, as it supports a healthy environment – as promoted through the NPPF and the New London Plan. It is also worth noting that while representors have drawn parallels between the health risks of smoking cigarettes and shisha, planning policy cannot be used to regulate the availability of cigarettes for sale in shops.

5.25 The approach to hot food takeaways is supported by evidence of high levels of obesity amongst schoolchildren in Westminster, and provides a locally distinctive approach to tackling this issue in a proportionate manner. The approach also supports town centre vitality and viability, and the creation of a healthy environment, in line with the NPPF and New London Plan. Policy on public houses meanwhile, takes a balanced approach that seeks to protect them, including the many traditional public houses in Westminster, unless there is no genuine business case for them.

6. Conclusion

6.1 This topic paper demonstrates that policies in the City Plan on economic growth have been positively prepared and strike a careful balance between being aspirational and deliverable. They balance the competing needs of Westminster's varied economic functions and their impacts on residents, are in line with relevant national and regional policy, and are based on a proportionate evidence base to justify the approach taken. It is the council's view that they set an appropriate strategy for the area, that responds to the key challenges facing the city.

CITY PLAN

2019 – 2040



City of Westminster