

## Westminster City Plan Post-Hearing Note: 1,000sqm affordable housing threshold

### 1. Introduction

- 1.1 This note sets out further justification and evidence for the requirement within Policy 9 of the submitted Westminster City Plan for residential development of over 1,000sqm to provide an affordable housing contribution.

### 2. Adopted City Plan approach

- 2.1 The adopted Westminster City Plan (CORE\_020) requires residential development of over 1,000sqm to provide a contribution to affordable housing under Policy S16. The reasoned justification to this policy makes clear at that time there was a predominance of larger sized units within Westminster, averaging around 129sqm, and market housing averaging 140sqm. It was therefore appropriate to set a floorspace threshold and proportion of floorspace required to contribute to affordable housing.
- 2.2 This was further justified based on the position that within the council's 5-year housing land supply, around 25% of new homes were coming from small sites providing fewer than 10 units. Therefore, a floorspace threshold reflecting a site's capacity to provide 10 homes that was also viability tested would bring more schemes under a requirement to provide affordable housing, whilst retaining the option for developers to continue to provide larger units.

### 3. National Policy

- 3.1 Since the adoption of the 2016 City Plan, the National Planning Policy Framework (NPPF) has been updated and now states that affordable housing contributions should not be sought from residential developments that are not major developments (Paragraph 63). Major development is defined in the glossary as where 10 or more homes are provided, or the site is 0.5ha or more.
- 3.2 Following this and after taking legal advice, the council clarified its position in relation to the 1,000sqm threshold in Policy S16, through the Cabinet Member Statement of May 2019<sup>1</sup>. This threshold is therefore still in effect in decision-making on individual planning applications.

### 4. Regional Policy

- 4.1 The current London Plan Policy 3.13 supports the council's approach by stating "Boroughs should normally require affordable housing provision on a site which has capacity to provide 10 or more homes".
- 4.2 The new London Plan states that "All major development of 10 or more units triggers an affordable housing requirement. Boroughs may also require affordable housing contributions from minor housing development in accordance with Policy H2 Small sites" (Footnote 50 to Policy H4).

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<sup>1</sup> [https://www.westminster.gov.uk/sites/default/files/uploads/cabinet\\_member\\_statement\\_may\\_2019.pdf](https://www.westminster.gov.uk/sites/default/files/uploads/cabinet_member_statement_may_2019.pdf)

## 5. Local Evidence

- 5.1 Completions data over the last five years indicates that 180 units were delivered across 55 sites that fell below the 10-unit threshold but provided over 1,000sqm of residential floorspace. This resulted in payments in lieu (PIL) of £18.978m to the council's affordable housing fund. This represents around 9% of the total PIL paid over this period.
- 5.2 Section 3.1.3 of the Housing Topic Paper (EV\_H\_001) analysed the average size of new homes across a 7-year period and found that this has increased to 159sqm (from the 129sqm referenced in the 2016 City Plan). There is therefore still an appetite from developers to provide large units in Westminster. Although the proposed 200sqm limit on new homes may reduce this average, the limit is still well above the current average, meaning that sites will still come forward below the 10-unit threshold but providing over 1,000sqm of residential floorspace.
- 5.3 Analysis of under construction and permitted schemes indicates that at least a further 65 units will come forward from 31 sites falling below the 10-unit threshold but providing over 1,000sqm of residential floorspace. These sites have secured £17.957m of payments in lieu and eight additional affordable homes.
- 5.4 The 1,000sqm threshold was further viability tested as part of the City Plan Viability Report (EV\_GEN\_001) and found to be viable.

## 6. Conclusions

- 6.1 This paper has set out the justification and evidence for continuing to apply a 1,000sqm threshold for sites in Westminster to contribute towards affordable housing delivery. There is evidence that developments of less than 10 units but over 1,000sqm of floorspace will continue to come forward over the plan period, given the continuing preference of the market to provide large market housing units. Sites falling below 10 units but providing over 1,000sqm can viably contribute to affordable housing delivery in Westminster and should continue to do so given the constrained nature of development in Westminster and more limited opportunities to deliver new affordable homes compared to other parts of the country.