

## Small-scale residential developments Topic Paper

Regulation 19 Consultation

March 2024





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## 1 Introduction

#### 1.1 Introduction

#### The purpose of this topic paper

Westminster City Council is working on a <u>Partial City Plan Review</u>. As set out in the Regulation 18 Statement, the review focusses on three areas:

- affordable housing,
- retrofitting, and
- the inclusion of Site Allocations.

In line with the council's <u>Fairer Westminster Strategy and Delivery Plan</u>, the council is reviewing its adopted City Plan 2019-2040 (2021) Policy 9 'Affordable Housing' — the key goal of the review is to reexamine the effectiveness of the adopted policy and to strengthen the policy to maximise the provision of affordable housing. Reviews are being carried out to determine whether the adopted affordable housing requirements and tenure split are appropriate. New approaches are being considered to maximise affordable housing delivery in the city, including considering whether there is capacity to seek affordable housing contributions from developments that deliver fewer than 10 homes, noting that the adopted City Plan only seeks contributions from major developments.

The purpose of this topic paper is to demonstrate how the emerging policy relating to affordable housing delivery from small-scale residential developments in the Partial City Plan Review has been developed. This paper demonstrates that the new policy is sound.

This topic paper relates to the following emerging City Plan policy:

• Draft Policy 13 'Affordable Housing'.

#### Structure of this topic paper

For affordable housing contributions from small-scale residential developments, this paper sets outs the following:

- The purpose and intention behind the policy (section 2);
- The wider policy context and key evidence for the justification of the policy (section 3).

# 2 Purpose of the policy

#### 2.1 Purpose of the policy

Providing housing, especially affordable housing, is one of the key challenges the country faces. The housing crisis is especially acute in London, and its more central boroughs like Westminster. Although affordable homes are being built in Westminster, as shown in Section 3.2, delivery is not meeting need. It is in this context that the council's planning policy on affordable housing is being reviewed — to make sure our policies are working as hard possible to meet needs.

The emerging Policy 13 Affordable Housing published for Regulation 19 consultation, explains how small-scale residential developments (defined as those delivering fewer than 10 homes) will be required to contribute to affordable housing delivery in the city. This represents a step change from the adopted Policy 9, which only requires major development to contribute to affordable housing delivery.

#### **Emerging policy**

While the emerging policy supports affordable housing delivery from small-scale residential developments on-site, it also provides flexibility for such developments to provide the affordable housing requirement off-site or as a financial contribution to the council's Affordable Housing Fund. The policy allows for this choice to be made without the need of providing supporting evidence to justify the chosen delivery mechanism. This approach differs to the one proposed for major developments, where affordable housing should be delivered on-site unless some exceptional circumstances apply.

The emerging policy explains that when small-scale residential developments contribute financially to affordable housing delivery, payments will be based on a fixed rate per sq m of floorspace that would have been provided as affordable housing. This mechanism ensures contributions are reflective of the type of homes being delivered in Westminster.

#### **Soundness**

As demonstrated in Section 3, it is the council's view that the approach to affordable housing delivery from small-scale residential developments is supported by local evidence and is therefore sound. The conclusions are based on an analysis of the:

- Policy context;
- Housing supply and housing needs;
- Viability impacts; and
- Reasonable alternatives.

The emerging Policy 13 Affordable Housing and, especially the requirement for small-scale residential developments to contribute to affordable housing this paper focuses on, is needed to ensure Westminster's affordable housing needs are met and mixed communities are created.

# 3 Justification for the approach taken

#### 3.1 Policy context

This section of the paper summarises the policy framework the council has considered when examining seeking affordable housing contributions from small-scale developments.

#### Relationship to national policy

A new National Planning Policy Framework (NPPF) was published in December 2023. The NPPF (December 2023) Annex 1 on Implementation includes paragraph 230 which says as follows:

"230. The policies in this Framework (published on 19 December 2023) will apply for the purpose of examining plans, where those plans reach regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (presubmission) stage after 19 March 2024. Plans that reach pre-submission consultation on or before this date will be examined under the relevant previous version of the Framework in accordance with the above arrangements [...]."

Given that the council is launching consultation under regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (presubmission) <u>before</u> 19 March 2024, the emerging policies have been prepared taking into consideration the NPPF September 2023 rather than December 2023.

Paragraph 8 of the NPPF (September 2023) sets out three elements of sustainable development the planning system should pursue. In relation to the 'social objective' it says that the planning system has "to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations".."

Paragraph 34 of the NPPF (September 2023) also sets out that "plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required", and that "such policies should not undermine the deliverability of the plan". In paragraph 61, the NPPF (September 2023) goes further and is clear that the housing needs for those requiring affordable housing should be assessed and reflected in planning policies.

The NPPF (September 2023) paragraph 64 stipulates that the provision of affordable housing should not be sought from residential developments that do not qualify as major developments, except in designated rural areas. Major developments in the NPPF (September 2023) are defined as follows:

"For housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. For non-residential development it means additional floorspace of 1,000m2 or more, or a site of 1 hectare or more, or as otherwise provided in the Town and Country Planning (Development Management Procedure) (England) Order 2015."

The Planning Practice Guidance (PPG) on Planning obligations (Paragraph 23, reference ID: 23b-023-20190901) further specifies that planning obligations for affordable housing should only be pursued for residential developments classified as major developments, as defined in the NPPF.

Finally, paragraph 35 of the NPPF (September 2023) sets out the test of soundness against which new planning policies will be assessed. It requires policies to consider alternatives, and be based on proportionate evidence and enable the delivery of sustainable development.

Although the NPPF (September 2023) says that affordable housing contributions should only be sought from major development, a Court of Appeal judgement between the Secretary of State for Communities and Local Government and West Berkshire District Council and Reading Borough Council, explains how the NPPF wording should be interpreted and implemented. It says:

"Likewise if in future an LPA submits for examination local plan policies with thresholds below those in the national policy, the Inspector will consider whether the LPA's evidence base and local circumstances justify the LPA's proposed thresholds".

Scope therefore exists for local plan policies to go beyond the NPPF and seek affordable housing contributions from non-major developments, where supported by local evidence. As set out below, such practice already exists in other parts of London.

#### Relationship to regional policy

The London Plan (2021) Policy H1 'Increasing housing supply' has set a ten-year housing target for 2019-2029 of 9,850 homes for Westminster. The plan's Policy H2 'Small sites' 1 requires boroughs to 'actively support well-designed homes on small sites' and to achieve a borough target for Westminster of 5,040 homes for 2019-2040.

Policies H5 'Threshold approach to applications' and H6 'Affordable housing tenure' of the London Plan set out the Mayor's threshold approach to viability and affordable housing delivery. Policy H5 sets a strategic target across London for 50% of new homes to be "genuinely affordable". This includes a Fast Track Route for developments on private land that provide 35% affordable housing, and requires public sector land to provide 50% affordable housing.

The London Plan does not provide specific guidance on affordable housing provision from 'small sites'. However, Policy H2 'Small sites' underscores the strategic importance of delivering housing on small sites across London and, additionally, a note on Policy H4 'Delivering affordable housing' states:

"All major developments comprising 10 or more units trigger an affordable housing requirement. Boroughs may also stipulate affordable housing contributions from minor housing developments in line with Policy H2 Small sites."

It should be noted that several London boroughs, including Brent, Camden, Hackney, Islington, the Royal Borough of Kensington and Chelsea, Merton, Southwark and Tower Hamlets, have reduced the NPPF thresholds for affordable housing contributions in their adopted Local Plans, Although it is acknowledged that each of this Local Plan has been adopted at a different point in time, under a different policy framework and based on local evidence, these adjustments reflect the acute need for affordable housing provision in London. Although data from the Mayor of London<sup>2</sup> shows how affordable housing is being built in London, it should also be noted that every residential development that does not contribute to affordable housing supply widens the gap to delivering the London Plan strategic target of 50% of new homes being affordable.

As set out above, requiring small-scale residential developments to contribute to affordable housing is a policy approach that has already been followed in other parts of London, designed to make sure development contributes to meeting the adopted London Plan affordable housing targets.

<sup>&</sup>lt;sup>1</sup> The London Plan defines small sites as those with an area below 0.25 hectares.

<sup>&</sup>lt;sup>2</sup> https://data.london.gov.uk/dataset/residential-completions-dashboard

#### Relationship to local policy

The council has published its <u>Fairer Westminster Strategy and Delivery Plan</u>. Fairer Westminster has the delivery of more truly affordable housing at its heart.

Westminster's adopted City Plan 2019-2040 (2021) Policy 8 'Housing delivery' plans at a longer time horizon than the London Plan and plans for 20,685 new homes by 2040. While the City Plan does not set a target for housing to be delivered on small sites, it does acknowledge the role small sites have previously and will continue to have in delivering new homes across the city, in line with the London Plan.

The adopted Policy 8 'Housing delivery' is not being reviewed as part of the Partial City Plan Review. As per adopted Policy 8, Westminster's annual housing target for 2019-2040 is for 985 homes per year.

In March 2024, the council adopted a Planning Obligations and Affordable Housing Supplementary Planning Document (SPD) that further explains how the housing policies in the City Plan should be implemented. The SPD includes guidance on how affordable housing payment in lieu to the council's Affordable Housing Fund will be calculated. It is acknowledged that the POAH SPD may need to be updated once the Partial City Plan Review is completed.

#### 3.2 Housing supply and housing needs

#### Affordable housing supply – historic trends

The delivery of affordable housing in Westminster varies year-on-year.

The <u>Authority Monitoring Report (AMR) for 2022/23</u> sheds some light on affordable housing delivery in the city.

**Table 1**: Net Completion of total homes and affordable homes in Westminster (2019 – 2023)

Financial year completed	Total homes (net)	Total affordable homes (net)	Percentage of affordable homes
19/20C	994	404	41%
20/21C	398	52	13%
21/22C	469	28	6%
22/23C	783	71	9%
Average	661	139	21%

Source: Authority Monitoring Report for 2022/23

Table 2 uses a slightly different database than the one use used to inform the AMR 2022/23<sup>3</sup>. This dataset provides an additional layer of information on affordable housing delivery in the city for the last ten years.

**Table 2**: Net Completion of total homes and affordable homes in Westminster (2013 – 2023)

Financial year completed	Total homes of schemes creating 10+ homes (net)	Total affordable homes (net)	Percentage of affordable homes
13/14C	231	46	20%
14/15C	391	42	11%
15/16C	729	166	23%
16/17C	894	114	13%
17/18C	918	42	5%
18/19C	662	64	10%
19/20C	871	410	47%
20/21C	472	38	8%
21/22C	420	29	7%
22/23C	791	67	8%
Average	638	102	16%

Source: Council data and calculations.

<sup>&</sup>lt;sup>3</sup> For example, it only includes schemes delivering more than 10 homes and may not include some types of non-self contained accommodation. As such, any variation in the total homes or affordable homes figures can be explained by differences in the types of residential units that are counted as 'homes', with the data provided in Table 2 not subject to the cleansing that occurs during the compilation of data for the Authority Monitoring Report. Nonetheless, for the purposes of this report, any minor variations in the data are not consequential as the purpose is to illustrate broad trends in market and affordable housing delivery in Westminster.

Using different datasets, Table 1 and Table 2 show how Westminster has consistently delivered below target levels of housing and therefore affordable housing, with the average around 16-17%. This is far from Westminster's and London's targets for affordable housing delivery.

The AMR explains how the slowdown in the construction of new homes has particularly impacted the delivery of affordable housing. Table 1 summarises the number of affordable homes delivered in Westminster, since the start of the City Plan period. It is important to note that planning permissions granted under the previous City Plan (2016) may still be implemented and that there are many factors, beyond planning policy, that affect the delivery of affordable housing.

As demonstrated in Table 2 above, the total number of developments delivering 10 or more homes fluctuates to some degree, with the strong delivery from 2015-2019 reflecting a post global financial crisis pick-up in residential construction and delivery. This is also reflective of broader trends in the whole-of-London homes completions data. Conversely, homes delivery is lower between 2013-2015 and 2020-2022, reflective of the lag in construction activity following adverse economic conditions following the global financial crisis and the impact of lockdown measures during the COVID-19 pandemic respectively.

The delivery of affordable housing fluctuates to an even greater degree. The 2019-2020 financial year sees the largest outlier in the data and can be explained by the delivery of a large council-owned scheme (planning application reference: 15/11458/COFUL). Higher rates of provision from 2015-2017 can be explained by several major schemes which provided both a substantial quantum of both market homes and affordable housing. It should also be noted that under the previous City Plan (2016) the council had a mixed-use policy that required some commercial developments to contribute to affordable housing — since the adoption of City Plan (2021) this policy does no longer operate in Westminster, and may have contributed to the change of trend. Although previous and adopted planning policies may have played a role in this, there are other reasons that can explain a low affordable housing delivery including Westminster's dense and complex urban context, the high cost of land in the city, the competition for land and the high level of subsidy needed to develop affordable housing (and grant rates).

Affordable housing delivery fluctuates and depends on many factors, some of which are not strictly linked to planning policies. What is clear from Tables 1 and 2 above is that affordable housing delivery is far from local and regional targets and ambitions. The data shows that there is a clear need to explore options to secure additional affordable housing delivery in the city to help reduce the gap between policy targets and delivery moving forward.

#### **Current and emerging affordable housing needs**

The council has commissioned Opinion Research Services (ORS) - to conduct a new and updated Strategic Housing Market Assessment (SHMA)(January 2024). Amongst other things, ORS have carried out an analysis of housing need in the city and forecasted the quantum of market and affordable housing required to ensure an equitable provision of housing over the rest of the City Plan period (this is 2023-2040). The SHMA is based on population projections.

Given that 2,732 homes have been completed between 2019 and 2023, the SHMA starting point is that Westminster needs to deliver 17,953 homes (20,685-2,732) between 2023 and 2040. The SHMA assumes this figure as the total homes target for 2023 to 2040. If this total figure is annualised, the SHMA concludes that 1,056 homes should be delivered every year when compared to the adopted 985 target.

In relation to affordable housing need, the SHMA underscores both an unmet and projected shortfall of affordable housing delivery to meet identified needs. In line with national policy and guidance, this includes both affordable housing for renters and affordable housing for householders aspiring to affordable home ownership and that fall within the category of 'intermediate housing need'.

Table 3 summarises some of the SHMA results.

Table 3: Assessing total need for affordable housing in Westminster 2023-2040

Affordable Housing		Market Housing	Total Housing
Affordable rent / Social Housing	Intermediate Housing		
723	178	155	1,056

**Source:** Westminster's Strategic Housing Market Assessment (January 2024)

Table 3 shows how the need for affordable housing in the city is significant. The SHMA concludes that to deliver on the existing shortfall and emerging housing needs, most housing delivered in Westminster between 2023 and 2040 should be affordable and, especially, social housing.

Although it should be noted that the SHMA conclusions are purely based on housing needs and do not consider other variables such as viability, the SHMA shows how Westminster's affordable housing need is very high. When this information is considered alongside the low affordable housing delivery figures above, it becomes evident that the council should be exploring new policy mechanisms to help meet London's and Westminster's affordable housing needs — including the need of requiring small-scale residential developments to contribute to affordable housing.

## 3.3 Modelling the potential contribution of small-scale residential developments to affordable housing

#### Small-scale residential developments housing supply – historic trends

As a relatively dense and established city with very high land values, a large proportion of new homes in Westminster are delivered by schemes delivering fewer than 10 homes.

Table 4 uses the same dataset used in Table 2 above and provides a consolidated account for housing delivery on all development schemes that provide fewer than 10 homes.

**Table 4**: Net new homes delivered on developments delivering between 1-9 homes annually between 2013 – 2023

Financial year completed	Total new homes delivered on developments delivering fewer than 10 homes (net)	Total new homes delivered on all developments (net)	Percentage contribution of developments delivering fewer than 10 homes toward total housing delivery
13/14C	367	598	61%
14/15C	435	826	53%
15/16C	257	986	26%
16/17C	409	1,303	31%
17/18C	212	1,130	19%
18/19C	207	869	24%
19/20C	224	1095	20%
20/21C	144	616	23%
21/22C	157	577	27%
22/23C	136	927	15%
Total	2,548	8,927	29%
Average	255	893	29%

Source: Council data and calculations.

As demonstrated in Table 4, the share of developments delivering fewer than 10 homes accounts for, on average, 29% of all homes delivered in Westminster. Figure 1 is a graphic depiction of Table 4:

100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
07
13/14C 14/15C 15/16C 16/17C 17/18C 18/19C 19/20C 20/21C 21/22C 22/23C

Figure 1: Contribution towards total housing supply by development size between 2013 – 2023

Source: Council data and calculations.

#### Modelling the potential affordable housing supply from small-scale residential developments to housing supply

Under the adopted Policy 9 on Affordable Housing, small-scale residential developments are not required to provide affordable housing. If Westminster had required affordable housing to be provided on small-scale residential developments since 2013, the 2,548 homes completed on schemes delivering fewer than 10 homes (as per Table 4 above), could have triggered the delivery of an additional 892<sup>4</sup> affordable homes.

Table 5 below outlines how many affordable homes could have been delivered based on different hypothetical affordable housing requirements applying to all small-scale residential developments.

**Table 5**: Potential supply of affordable homes secured from completed small-scale residential developments

Hypothetical target level of affordable housing provision	Potential affordable housing homes delivered if contributions required for developments delivering fewer than 10 homes
5%	127
10%	255
15%	382
20%	510
25%	637
30%	764
35%	892
40%	1,019
45%	1,146
50%	1,274

**Source:** Council data and calculations.

<sup>&</sup>lt;sup>4</sup> 0.35\*2,548=892 homes, assuming a 35% requirement for modelling purposes.

Given small-scale residential developments play a big role in Westminster, if all housing developments regardless of their scale were required to provide affordable homes, the overall supply of affordable homes would increase. The modelling presented in this section justifies the need to explore a new policy that requires small-scale residential development to contribute to affordable housing delivery.

The modelling above assumes that the affordable homes would have been delivered on-site and that all schemes would have been viable with a 35% affordable requirement. For small-scale residential developments, it is acknowledged that in some situations it may not be practical to deliver affordable on-site or that it may not be viable to do so. These two policy-making considerations are addressed below in Sections 3.4 and 4.1.

#### 3.4 Delivery mechanism

In line with the NPPF (September 2023) and the London Plan (2021), the council's adopted City Plan Policy 9 Affordable Housing, requires major developments to provide affordable housing on-site. Under some exceptional circumstances and when this is justified to the council's satisfaction, affordable housing provision can be made off-site or via a payment in lieu to the council's Affordable Housing Fund. Although the whole Policy 9 (emerging Policy 13) is being reviewed as part of the Partial City Plan Review, the emerging approach to delivery from major developments is proposed to remain.

Both the adopted Policy 9 and emerging Policy 13 on Affordable Housing set out that payments in lieu are to be set at a level so they are broadly equivalent to the delivery of on-site housing and further guidance on it is published by the council in its Planning Obligations and Affordable Housing SPD.

When considering a new requirement for small-scale residential developments to contribute to affordable housing, it is appropriate to explore how affordable housing should be delivered.

#### Considering different delivery mechanisms from small-scale residential developments

On-site affordable housing provision has many benefits. First of all, it is the quickest way to deliver affordable housing as part of proposals and it also ensures mixed and balanced communities are created. It should also be noted that the affordable housing policy applies to all types of land (private and public) and that housing schemes are developed by a range of applicants (individuals, small and large developers, Registered Providers, the council, ...), some of which sometimes propose to deliver affordable-led schemes on small sites. It is for these reasons, that it is considered that on-site delivery should be considered as an option for small-scale residential developments.

However, it is acknowledged that in many instances on-site affordable provision could be overly onerous. Given that when affordable housing is delivered, a mix of tenures and bed sizes should be provided, small schemes become complex to design. Applicants also find it often difficult to find a Register Provider to manage a small number of affordable homes. Therefore, in order to ensure minimal delays to planning application assessment times and not to create an onerous and complex burden on applicants, it is justified to provide a greater degree of flexibility for small-scale residential developments when delivering affordable housing: the emerging Policy 13 should therefore support on-site delivery but provide a greater degree of flexibility than is the case for major developments.

As is the case for major developments, the council may also welcome schemes that choose to deliver the affordable housing requirement off-site. But most importantly, applicants proposing housing on small-scale developments, may opt to provide the affordable housing requirement as a payment in-lieu to the council's Affordable Housing Fund. Any funds received will be used by the council solely for the delivery of affordable housing.

In conclusion, policy should not require small-scale residential developments to follow the delivery cascade for affordable housing delivery as set out for major developments. Small-scale residential development should benefit from a higher degree of flexibility when providing affordable housing: on-site, off-site or a payment in lieu of provision of affordable housing should all be accepted delivery mechanisms. This policy approach has been followed in the emerging Policy 13.

# 4 Policy impacts

#### 4.1 Viability and payments in lieu

In line with the NPPF (September 2023), viability and the impact of planning obligations on development deliverability should be considered in planning policy making.

#### **Overall viability**

To support emerging policies as part of the Partial City Plan Review, we have conducted localised viability testing on our adopted and emerging policies, including the requirement for small-scale residential developments to contribute to affordable housing as proposed in draft Policy 13. This testing has been carried out by BNP Paribas on behalf of the council – see the Viability Study (February 2024).

The study has tested 57 schemes which provide 9 or fewer homes. The study has concluded that requiring 35% affordable housing from small-scale residential developments would not compromise overall scheme viability of schemes of this scale in Westminster. It has also concluded that the viability implications on schemes delivering fewer than 10 homes are similar to those on major developments and that there is therefore no need to exempt such schemes from any affordable housing requirement on viability grounds.

The study also explains how viability can vary on a case-by-case basis, and that it is important that policy makers acknowledge this.

The emerging Policy 13 therefore explains how applicants can submit a viability assessment as part of the planning application process when the affordable requirement cannot be met. The emerging policy explains how the council will ensure affordable housing is maximised, whilst taking into account each scheme's circumstances.

#### Affordable housing payments in lieu from small-scale residential developments

Given the Viability Study (February 2024) concludes that both major and small-scale developments operate in a similar way, it also concludes that the same methodology used to calculate affordable housing payments in lieu from major developments should be followed for small-scale residential developments.

As part of the Partial City Plan Review, the council is not reviewing the methodology used to calculate payments in lieu. This means that when calculating affordable housing payments in lieu from small-scale residential developments:

- The payments will be equivalent to the uplift in value resulting from the floorspace that would have been provided as affordable housing being delivered as private housing;
- The approach will take into account that the scheme is expected to deliver at least the relevant threshold level of affordable housing (35 or 50%);
- The payments will be calculated based on a fixed rate per sq m of floorspace that would have been provided as affordable housing. The rates will vary according to the location of the site, as per the zones set out in the council's Planning Obligations and Affordable Housing (POAH) SPD.

The emerging Policy 13 on small-scale residential developments therefore proposes that the approach and methodology currently followed for major developments under adopted Policy 9 also applies to small-scale residential developments. It is acknowledged that the POAH SPD may need to be reviewed once the Partial Review is completed.

#### 4.2 Integrated Impact Assessment

The findings of the City Plan's Integrated Impact Assessment (IIA)(March 2024) also support changes made to the adopted Policy 9 Affordable Housing (emerging Policy 13) of the City Plan, including the emerging requirement for small-scale residential developments to contribute to affordable housing.

Prior to drafting the emerging City Plan Policy 13, the IIA process assessed and compared four reasonable alternative options to strengthen the adopted Policy 9 Affordable Housing of the City Plan. The options were: retaining the adopted Policy 9 City Plan policy, seeking affordable housing contributions from small-scale residential development, amending the tenure split to favour social housing, and combining both previous options.

Section 3.2 of the IIA found that the option to combine seeking affordable housing contributions from small-scale residential development and amending the tenure split to favour social housing had major positive effects on the objectives of Communities, Housing and Health & well-being. The emerging Policy 13 is therefore based on this preferred option.

### 5 Conclusion

#### 5.1 Conclusion

This Topic Paper has been prepared to provide further context on the reasons for a new policy requiring small-scale residential developments to contribute to affordable housing delivery as part of the Partial City Plan Review.

By reviewing the planning policy framework, affordable housing supply and needs data in Westminster, it is clear that new policies should be considered to maximise affordable housing delivery in the city.

This paper has demonstrated that Westminster has considered the national and regional policy context, along with local evidence in making a justified planning policy. It has also explained how the viability impacts and other reasonable alternatives have been considered. In summary:

- <u>Section 3.1</u> of this paper has shown how the policy context allows Westminster City Council to explore policies that based on local evidence, seek to modify the NPPF's threshold for requiring affordable housing contributions. Also that doing so is not ruled out by the London Plan, and that other London Boroughs have already introduced such a policy approach in London.
- <u>Sections 3.2 and 3.3</u> have demonstrated how historic affordable housing delivery has been poor and the need for new affordable housing in Westminster is pronounced, which justifies the need to now explore additional mechanisms to secure extra affordable housing, and that small-scale residential developments are a significant source of new housing supply in Westminster.
- <u>Section 3.4</u> has shown how a proportionate approach to delivery from small-scale residential developments can help ensure policy requirements are not overly burdensome.
- <u>Section 3.5</u> sets out how a new requirement for small-scale residential developments will not undermine the viability of such forms of development, and
- <u>Section 3.6</u> references the council's Integrated Impact Assessment which identified positive impacts of the emerging policy.

It is anticipated that whilst the emerging policy 13 on small-scale residential developments will be a stepchange for the delivery of more affordable housing this city, this will not have an overall negative impact on the viability of development schemes across the city. The policy seeks to remain pro sustainable growth and as such, will be monitored and reviewed to ensure that this objective remains once the draft policy is adopted.

In summary, this paper has explained the reasons why the council considers the emerging Policy 13 requirement for small-scale residential developments to contribute to affordable housing is sound. The emerging requirement:

- is consistent with national and regional policy;
- is positively prepared and justified by local evidence; and
- is effective and deliverable.

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March 2024



