

GREATER LONDON AUTHORITY

Charlotte Glancy

Planning Inspector
c/o Mr Luke Fleming and Mr Kevin Ward
Banks Solutions
80 Lavinia Way
East Preston
West Sussex
BN16 1DD

Department: Planning

Your reference:
Our reference: LDF33/LDD40/HA
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Email: bankssolutionsuk@gmail.com

Dear Charlotte

Re: Westminster City Plan 2019-2040 Examination. Inspector's Matters, issues and questions

- **Matter 4 Housing (Question 28)**

Thank you for inviting Matters Statements in advance of Westminster's Examination Hearing sessions. Westminster has been actively engaging with officers at the Greater London Authority (GLA), and there have been several constructive meetings to discuss the concerns raised on the Mayor's letter of conformity dated 31 July 2019.

Firstly, it is useful to clarify the relationship between the London Plan and Local Plans in London. The Planning and Compulsory Purchase Act 2004 (as amended) is clear in S. 24 that development plan documents prepared by London boroughs must be in general conformity with the spatial development strategy (SDS) for London (referred to as the London Plan). When Westminster requested the Mayor's opinion on conformity in June 2019, its City Plan conformity was assessed against the SDS published in March 2016 (The London Plan. The spatial development strategy for London consolidated with alterations since 2011). However, in December 2017, the Mayor published his draft new London Plan. The Examination Hearing sessions closed on 22 May 2019 and therefore the Westminster City Plan was also more widely assessed against the policies and supporting evidence for the Mayor's draft new London Plan.

Since Westminster's Regulation 19 consultation, the Panel report on the draft new London Plan was published on 8 October 2019. The Mayor issued to the Secretary of State his intend to publish London Plan on the 9 December 2019 and received his directions on 13 March 2020

(https://www.london.gov.uk/sites/default/files/letter_to_the_mayor_of_london_13_march)

[2020.pdf](#)). The Mayor responded to the directions on the 24 April and is now awaiting a further response from the Secretary of State.

Given the Mayor's intention to publish the new London Plan as soon as possible (as set out in his response to the Secretary of State on the 24th April) in 2020, by the time the Westminster City Plan examination and adoption takes place it is very likely that the new London Plan will have been published. Therefore, it is important that the Westminster City Plan 2019-2040 is not only in conformity with the current 2016 London Plan but also in general conformity with the Intend to Publish (ItP) London Plan which should be afforded very significant weight at this point in time.

The Secretary of State's directions to the Mayor regarding the new London Plan do not affect the Mayor's Threshold Approach to affordable housing as set out in ItP London Plan Policies H4, H5 and H6 and therefore these elements will remain intact in the final publication of the new London Plan.

In addition, it is appropriate that Westminster policy, including those for affordable housing, should be consistent with the latest available strategic evidence, and that should include the Mayor's Strategic Housing Market Assessment 2017 evidence base document.

The Mayor published his Affordable Housing and Viability Supplementary Planning Guidance in August 2017 and this is also a material consideration.

Mayor of London Statement

The Mayor has welcomed collaborative working with Westminster that has led to the borough's shift towards the ItP London Plan as set out in the Statement of Common Ground (SCG) dated 31st March 2020 (SCG_007_V2 in Westminster's examination documents). The Mayor welcomes the SCG but wants to support that agreement with this Matter Statement. Whilst this has been agreed with Westminster, the Mayor wants to take the opportunity to re-iterate to the Inspector why this policy is important across London and is a priority for the Mayor and a matter of conformity with the London Plan.

The ItP London Plan includes a strategic target of 50% of all new homes being affordable, based on the findings of the London Strategic Housing Market Assessment (SHMA) 2017¹. In fact, the London SHMA 2017 establishes that over the London Plan period, the actual need for affordable housing lies in the range of between 63% and 68% of all housing delivered during that time.

The Mayor's Housing and Viability SPG 2017 and Policy H5 of the draft new London Plan introduce the 'threshold approach', whereby schemes meeting or exceeding 35 per cent affordable housing without public subsidy (or 50 per cent where on public land, without grant) can follow a 'Fast Track Route'. This means applicants are not required to submit

¹ https://www.london.gov.uk/sites/default/files/london_shma_2017.pdf

viability information at the application stage, but applications are subject to review mechanisms only if an agreed level of progress on implementation has not been achieved within two years of consent being granted or as agreed with the Local Planning Authority.

The 'threshold' is not a fixed target; instead it determines whether viability information is required depending on the level of affordable housing that is being offered. Schemes that do not meet this threshold are required to follow a 'Viability Tested Route', under which applicants must submit detailed viability information which will be scrutinised and treated transparently. Importantly, in addition, comprehensive early and late stage review mechanisms will be applied to schemes that do not meet the threshold or require public subsidy to do so, in order to ensure that affordable housing contributions are increased if viability improves over time

The 'threshold approach' provides certainty and consistency, as well as clear incentives for developers to increase affordable housing delivered through the planning system above the level in planning permissions granted in recent years. It should be noted that both the SPG and the Intend to Publish London Plan (Policies H4 and H5) are clear that grant should be used to increase affordable housing provision beyond the threshold level.

This approach specifically focuses on viability by setting out more consistent, certain and transparent processes for the assessment of planning applications to accelerate planning decisions, thereby enabling more rapid delivery of new and affordable housing.

Westminster's draft Regulation 19 version of the Local Plan was not in conformity with the London Plan in part, because of its failure to implement the Mayor's 50% strategic affordable housing target and the threshold approach to affordable housing as set out in ItP London Plan Policy H5. The latest Statement of Common Ground that has been agreed with Westminster and the GLA (SCG_007_V2) sets out amended changes to draft paragraphs 9.1 and 9.3 and Policy 9 of the draft City Plan. Constructive and collaborative working has resulted in these positive amendments which now mean that the draft Westminster City Plan 2019 subscribes to the Mayor's threshold approach and includes a 50% strategic affordable housing target which is in accordance with ItP London Plan Policies H4 and H5 and the evidence of housing need as set out in the London SHMA 2017. The amendments also make it clear that 50% affordable housing will be sought from residential development proposals on public sector land and the maximum amount from estate regeneration subject to viability.

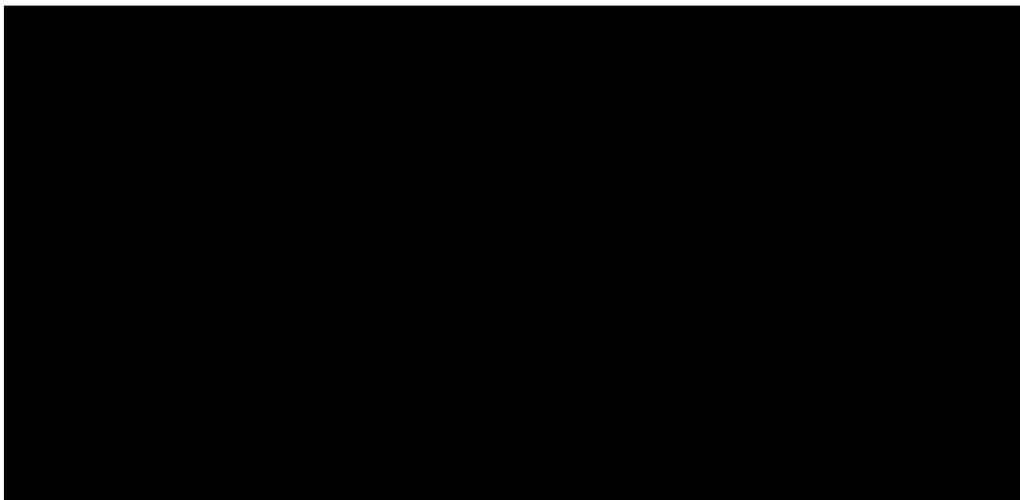
It is important to add that Policies H4 and H5 of the ItP London Plan can be afforded significant weight as they were supported by the examination panel and were not subject to a Direction from the Secretary of State. The Secretary of State has recently confirmed this position in his decision into the redevelopment of land bound by Wandsworth Road, Parry Street, Bondway and Vauxhall Bus Station, London (PINS Ref: APP/N5660/V/19/3229531 para 15). In this decision it is made clear that significant material weight should be attached to those policies in the ItP London Plan that are not subject to Directions.

The SPG and ItP London Plan Policy H5 set the threshold at 35 per cent of habitable rooms as affordable provision, the development of which was informed by analysis of past completions and approvals, a viability study and the aim to have a threshold that will increase delivery of affordable housing. The approach will embed affordable housing requirements into land values across London. Affordable housing grant can then be used to increase the level of affordable housing delivered on sites beyond the threshold level.

A single threshold ensures consistency and certainty across the borough while providing the flexibility to follow the Viability Tested Route where the threshold cannot be met.

The 35 per cent threshold level will be monitored and reviewed by the Mayor in 2021 to determine whether this threshold should be increased. Any changes to the threshold will be consulted on as part of an updated Affordable Housing and Viability SPG

I hope this statement can inform the Examination of the Westminster City Plan. If you have



Cc: Tony Devenish, London Assembly Constituency Member
Andrew Boff, Chair of London Assembly Planning Committee
National Planning Casework Unit, MHCLG
Lucinda Turner, TfL