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Via email only: bankssolutionsuk@gmail.com

Dear Charlotte,

Westminster City Plan 2019-2040 – Examination in Public
Response to Inspector's Matters, Issues and Questions
Respondent Number: 69

Matter 4 – Housing (relevant policies 8-13)
Policy 10 – Affordable Contributions in the CAZ

John Lewis Partnership's (JLP) comments in relation to the Inspector's questions are in relation to Policy 10 and Policy 41/42 relating to Affordable Contribution in the CAZ and Design and Heritage.

(30) – What is the basis for seeking affordable housing contributions from office and hotel developments in principle? Is the approach justified, consistent with national policy and in general conformity with the London Plan?

(31) How would policy affect commercial growth?

JLP supports the principle of securing greater amounts of affordable housing from commercial development provided that a realistic, effective and justified approach is adopted that enables sites to willingly come forward.

It is appreciated that submission document CORE_025 clarified the approach to affordable contributions within the International Centres. The wording of Policy 10.B (M/H/09) now states "**with the exception of the international centres**, where affordable housing units are required, rather than a payment in lieu, these should be delivered on site unless it is demonstrably impractical or unviable to do so".

However, JLP remains concerned at the scale and thresholds of the policy, requiring payments in lieu for changes of use and extensions over 1,000sqm, on a sliding scale of 15% (of the net uplift) up to a 35%

requirement over 2,750sqm. This requirement is inconsistent with regional policy, and therefore is unsound.

The well documented changes in shopping habits, even pre-Covid-19, continue to challenge Oxford Street and the West End generally. It is critical for the sake of the wider retailing offer that landowners are therefore incentivised to both reinvent their retail assets and ensure that the future of this international shopping destination is not put at risk. At the same time, they need the support of the wider West End and the planning policy encouragement to bring more customers to retailer’s doorsteps through complimentary commercial uses.

As recognised in the modification to the policy (CORE_025) residential floorspace (affordable or market) is not appropriate on Oxford Street and this should remain to be a predominantly commercial street. The City Council’s recent ‘Oxford Street District Plan’ publication recognises the difficulties retailers are facing on Oxford Street and states that space on the upper floors should be made available for different and diverse uses such as **offices, hotels**, restaurants and cultural uses. However, it is considered that how Policy 10 is currently worded this diversification to office or hotel uses will be de-incentivised, and this will have a long-term impact on Oxford Street as a whole, which is would be contrary to the aims of the Oxford Street District Plan. Furthermore, the policy would remove the flexibility retailers require, particularly when dealing with large sites.

In our opinion, the figures stated in the BNP Paribas evidence paper regarding viability of Policy 10, would not be, or come close to, being viable. We are fully supportive of the evidence that is being put forward by the Westminster Property Association on this issue. It cannot be the intention that all planning applications concerning commercial growth are very likely to require a Financial Viability Assessment which should be only necessary where there are unusual circumstances that prevent policy compliance. In simple terms the bar is set unrealistically high and is not sufficiently appreciative of the needs Oxford Street sites or the historical, societal and economic impacts that could result if reinvention is stymied.

JLP has serious concerns that there is a lack of flexibility in the wording of Policy 10 which disproportionately impacts upon landowners with significant retail floorspace within their buildings. The policy now captures “commercial to commercial” changes of use (M/H/11). Previous mixed-use policies did not include this wording. The wording of Policy 10 will discourage commercial growth and the overall aspirations for Westminster set out within the plan.

To set out the implications Policy 10 would have for retailers on Oxford Street, we can look at the recent permission granted for House of Fraser (RN:18/10897), which under the existing policy, the introduction of office floorspace did not trigger the existing mixed-use policy. Therefore, allowing House of Fraser to diversify, rationalise the existing retail floorspace and introduce new office floorspace which is a key driver for Westminster’s existing and emerging policy.

	EXISTING GIA	PROPOSED GIA	+/-
SHOPS (CLASS A1)	31,507	15,855	-15,652
OFFICE	0	13,546	+13,546
TOTAL	31,507	31,507	0

Under draft Policy 10, the net increase in office floorspace (13,546sqm) would trigger a requirement to provide 35% (4,741sqm) of the floorspace as a payment in lieu, therefore:

$$4,741 \times \pounds 17,700 \text{ (Prime PiL figure in EV GEN 004)} = \pounds 83,915,700$$

Consequently, these proposals could come forward under the emerging policy due to the proposed payment in lieu. It is therefore unlikely that any other proposals for changes of use to office or hotels in the International Centres will be submitted, which will have an overall impact on commercial growth in the area and therefore conflicting with the other aspirations in the plan.

The draft City Plan sets out 10 objectives, “opportunities for growth” and “homes and community” being two of them. In terms of the opportunities for growth, the aim states that *to sustain successful economic growth, it’s not enough to attract new businesses, we also have to nurture them*. Policy 10 does not go far enough to nurture existing businesses. Those businesses that want to remain in Westminster (and notably who Westminster and the wider West End need to retain) and those who can only do that via extensions or changes of use, are very likely to under-develop their sites/buildings to avoid triggering the draft policy. JLP want to be able to contribute to affordable housing in Westminster, but this must be done in a way that is viable, practical and relevant to the scale of development. Policy 10 as worded currently will hinder the objectives of the draft plan.

Matter 8 – Design and Heritage
Policy 41 – Townscape and Architecture

Question 5 – Is Policy 41 justified and consistent with national policy, particularly with regard to storey limitations, upwards extensions and density? Is it clear when each of the criteria in Policy 41 would be applicable? Particularly, is predominantly residential area clearly defined? Are the proposed modifications necessary for soundness?

The International Centres are identified as areas of appropriate growth through upward extensions. Policy 41(F) (Townscape and Architecture) states that *“upwards extensions of one or more storeys which create additional commercial floorspace will be permitted”*. This blanket indication, whilst clearly intended to be helpful, should be deleted. The policy is not appreciative of the scale of change that is necessary to successfully reinvent Oxford Street or the viability of making such amendments. Each site should be taken on its own merits and its potential massing set by the context and opportunity to deliver wider aims. In the case of John Lewis’s Oxford Street store, the roof scape is a complex one and two storeys above the highest point would be several floors higher than its lowest.

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