

WESTMINSTER CITY PLAN 2019-2040 – EXAMINATION IN PUBLIC - RESPONSE TO INSPECTOR'S MATTERS, ISSUES AND QUESTIONS

MATTER 4 (HOUSING)

Policy 10 (Affordable Contributions in the CAZ)

British Land's principal comments in relation to this policy are reflected in the representations submitted by the WPA. The comments provided below relate primarily to the potential implications of the draft policy on the supply of office space in Paddington albeit they are also applicable to the wider Borough and other schemes we are involved with.

Question 31) How would the policy affect commercial growth?

1. Our July 2019 representations to the 'Regulation 19' consultation referenced Westminster's Authority Monitoring Report (AMR) for the period 2013-2017 (the most recent version available at the time they were submitted). That report demonstrated the Opportunity Area housing target in the adopted City Plan will be exceeded based on the identified pipeline of development, thus demonstrating that the relatively more flexible approach to mixed-use policy has not come at a cost to housing supply in the area.
2. At the same time, the Paddington Opportunity Area has experienced a significant net gain of office floorspace in recent years, which contrasts with the Westminster-wide and CAZ-wide trend of huge net losses of office floorspace.
3. The most recent AMR published further to our representations is that covering the period 2018/19 (dated March 2020). The evidence set out within this demonstrates this trend of office and residential delivery in the Paddington Opportunity Area was continuing.
4. This also identifies a continuing trend of net losses of office floorspace across Westminster as a whole.
5. The Paddington Opportunity Area has been and remains a key location for employment growth. This role is particularly important in context of the identified continued net losses of office floorspace across Westminster as whole. The March 2020 AMR (page 30) describes the Paddington Opportunity Area as follows:
'Paddington has been one of the largest opportunity areas in London over the past 15 years. What was once a run-down derelict canal basin has become a thriving mixed-use destination with prime office buildings, retail, restaurants and cafes and several sites awaiting development.'
6. We are very concerned that the requirements of proposed Policy 10 and also its lack of flexibility are likely to act as disincentives to bringing forward new commercial development in not only the Paddington Opportunity Area, but also elsewhere within Westminster. This would be counterproductive particularly given the stated objectives for the Opportunity Area as set out in policy 3. As a consequence, the plan will not therefore be effective.
7. Conversely, we consider it likely the comparatively more flexible approach to mixed-use development in Paddington as set out within the current adopted City Plan has facilitated the delivery of commercial and residential (including affordable housing) floorspace in the area. We consider this to be a successful outcome of the current policy.
8. We also note proposed modification M/H/11 to the City Plan, which seeks to extend the application of the proposed policy 10 to changes of use of existing floorspace as well as additional office and hotel floorspace. This is a significant change upon which no consultation has been undertaken or clarification provided. This could serve to discourage refurbishment schemes that seek to reconfigure, optimise and enhance existing buildings, thus stifling growth, adaptability and innovation within the Paddington Opportunity Area and elsewhere

Question 35) Is the policy justified in terms of the approach to on-site and off-site provision and payments in lieu? Is there sufficient flexibility?

9. We consider the policy is not justified in terms of its approach to on-site and off-site provision and payments in lieu. The wording is not flexible enough with regards to the off-site provision and payments in lieu.
10. Paddington, for example, is a location which is well known for and suited to modern office buildings with large floorplates. Due to the nature of these buildings, it is likely that many extensions – particularly vertical – will result in floorspace gains in excess of 2,750 sqm. In these instances, 35% of this floorspace would need to be delivered as affordable housing on-site under the draft policy.
11. Providing affordable housing on site as part of works to extend an office building would simply not be practical in the immediate and long term. For example, there are significant issues and complexities with introducing a new residential core within an existing commercial building. Also, the inclusion of housing in the building creates great challenges when commercial buildings are refurbished/redeveloped in the future. To avoid such complexities, it is likely that landowners will postpone expansion plans, or limit the scale of office extensions to below the relevant policy thresholds, which may result in sites not being optimised for development to their full potential.
12. The priority should be on delivering the highest number of quality affordable homes rather than a focus on this being on-site.
13. The City Plan does not provide the requisite detail in respect of the quantitative provisions for matters such as affordable housing and payments-in-lieu. This should therefore be set out within the City Plan for consultation and testing rather than being left to supplemental guidance.

Question 36) Are the proposed modifications necessary for soundness? Are any other modifications necessary?

14. Whilst we have fundamental concerns regarding policy 10 as a whole, we welcome modification M/H/09 which includes an exception to international centres in respect of the provision of affordable housing units on-site, allowing any requirement to be delivered as a payment in lieu.
15. We do not support modification M/H/11 for the reasons as set out above.
16. In line with the Westminster Property Association representation, we consider that Policy 10, as drafted, makes the plan unsound. Policy 10 should be removed in its entirety.
17. In respect of the approach to any affordable housing requirements arising from commercial development, the relevant sections of policy S1 of the adopted City Plan should continue to be applied until there is an early review of the new City Plan in respect of affordable housing arising from mixed use development
18. This would allow an opportunity for an approach that is viable and achievable to be fully considered and tested as well as for full guidance to be incorporated into the City Plan, rather than relying on supplemental guidance.