

**Westminster City Plan 2019-2040 – Examination in Public
Response to Inspector’s Matters, Issues and Questions**

Matter 4 – Housing

Policy 8 – Stepping up housing delivery

(2) – Would [a target of 22,222 homes over the plan period / annual target of 1,495 homes] be realistically achievable? What evidence is there to demonstrate this?

1. The Association notes the reduction in the scale of ambition for housing supply.¹
2. The AMR confirms that the current London Plan target for 1,068 net additional residential units per year has not been met in three of the four last years on which it reports.² There was a significant fall in 2018/19.
3. The Association anticipates that Covid 19 is likely to lead to, at least, a short-term further reduction in completion rates because of a combination of construction delays and market uncertainty. This will require accelerated rates later in the plan period in order to make up for lost ground. Covid 19 has further highlighted the need for affordable housing for key workers near to their place of work.
4. Policy should continue to refer to exceeding the London Plan housing target. However, doing so is likely to be challenging and will require a step change.
5. The 5 year housing land supply contains a number of sites [number to be confirmed] that are office to residential conversions / redevelopments within the CAZ.³ Loss of office space to residential will be resisted by Policy 14. Clearly, a proportionately higher amount of housing delivery will need to be secured **outside** the CAZ in order to deliver the target, as conversion of office space within the CAZ can no longer be relied upon to contribute to the total.

(6) – Should the City Plan set out a housing requirement for designated neighbourhood areas (Para 65 of the NPPF)?

6. Westminster forms part of the wider Inner London housing market. The neighbourhood areas do not function as separate housing markets. Trying to disaggregate housing requirements to a neighbourhood level is unlikely to be practical; the housing target is best expressed at a City-wide level.

13) – What is the estimated total supply of developable sites for years 6-10 and 11-15?

14) – What is the estimated supply from each source for this (including windfalls)?

¹ Main Modifications PS/H/01

² EV_GEN_013 Authority’s Monitoring Report 2018-19 (WCC, March 2020), page 16

³ EV_H_014, Draft Westminster Five Year Housing Land Supply Statement, April 2020

15) – What is the evidence to support this and are the estimates justified?

7. The Association is concerned that, without longer term site allocations, the City Plan does not identify either “a supply of specific, developable sites or broad locations for growth for years 6-10 and, where possible, for years 11-15” as the PPG indicates that it should. The new Housing Trajectory does not extend that far.⁴

Policy 9 – Affordable Housing

(23) – What is the basis for the target of 35% and the approach to site size thresholds?

8. The 35% target is stated as applying to the total residential floorspace on schemes that exceed the thresholds in Policy 9(B). Given that some sites will have existing residential accommodation, it is more likely to stimulate development if the 35% requirement applies to the net additional housing created. If this were not the case, the current existing asset value would mitigate against investment and development.
9. For example, the demolition of eight existing homes, to be replaced by 12, is unlikely to be feasible if all four of the new homes that could be created would be provided as affordable.

(26) – Is the policy justified in terms of the approach to on site and off-site provision and payments in lieu? Is there sufficient flexibility? Is there sufficient clarity as to how the policy will be implemented in practice, particularly in terms of the calculation of payments in lieu?

10. The Association does not consider the approach to on-site and off-site provision, and payments in lieu, is justified as it is unlikely to be effective.
11. Westminster faces particular challenges because the opportunity costs of providing affordable housing on-site, in every case, are particularly expensive. This is because of the high value of existing standing assets, the constrained nature of many sites, the constraint on larger increases in floorspace thus limiting the creation of the necessary affordable housing subsidy, the disproportionately high opportunity costs and the complexity of interlocking land uses, tenures and final investment assets. This means that, if affordable housing is always to be provided on site, development will often be discouraged in favour of refurbishment and, where development does occur, often less affordable housing will be provided than could have been provided off-site.
12. In the central core of the city, particularly in the core business areas, it is often more effective to provide affordable housing off-site, as this leads to improved overall outcomes. Building small numbers of isolated affordable homes in buildings that are otherwise commercial often will not provide the best quality homes, both in terms of quality and access

⁴ EV_H_014, Draft Westminster Five Year Housing Land Supply Statement, April 2020, Appendix 1

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to amenities. This could include supporting Council-led regeneration projects where this promotes mixed communities.

13. The draft policy does not provide sufficient flexibility. The reference to “in exceptional cases” should be removed and replaced by “obtaining the best affordable housing outcome in terms of both quality and quantum”.
14. There is insufficient clarity about how the policy will be implemented in practice, particularly regarding payments in lieu. The details of the proposed payments in lieu are essential to understanding the effect of the policy and establishing its soundness. They should, therefore, be incorporated within the City Plan and subject to consultation and testing, rather than relying upon subsequent guidance.
15. The Association has suggested that the City Plan continue to make provision for large estates and landowners to meet future requirements for affordable housing by early delivery on an estate/portfolio basis. This can often lead to earlier, more efficient, delivery of affordable housing. The provision for public, charitable and non-profit organisations to do this, within paragraph 9.13, should be widened to include all organisations and to allow early delivery of affordable housing in respect of commercial, as well as residential, development.
16. **Question 25 – How has viability been taken into account in formulating the policy and how would the viability of schemes be taken into account?**
17. The Association recognises the clear imperative to deliver affordable housing and the strategic targets set by the London Plan.
18. The Association has significant concerns regarding the viability testing undertaken as it relates to commercial development proposals, as described below in relation to Policy 10.

Policy 10 – Affordable Contributions in the CAZ

(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?

19. The Association’s position is:
 - a. the concept of linking affordable housing directly to commercial development came about at **the Association’s suggestion**;
 - b. any policy must be **justified** and **effective**. This includes being supported by evidence and being deliverable;⁵

⁵ NPPF, para 35

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- c. the policy as now proposed by the City Council is **not justified**, because it is not supported by proportionate evidence, and it is **not effective** because it is not deliverable;
 - d. The economic dislocation likely to be caused by **Covid-19** illustrates the need for a robust evidence base;
 - e. Policy 10 is therefore **unsound and should be withdrawn**.
20. The Association’s serious concern is that the scale and thresholds of the proposed requirement (35%) and associated payment in lieu costs, is undeliverable, not justified and inconsistent with regional policy. The 35% benchmark target for housing development should not be applied directly to commercial development. The City Council has not struck the correct balance between maintaining the stimulus for commercial investment and delivering the best affordable housing outcome. As a result, Policy 10 is unsound.
21. This history of policy seeking housing from commercial development is relevant. Policy to this effect has been in place since the early 1990s. Initially, its purpose was the retention of Westminster as a mixed use area by seeking housing alongside commercial development. Affordable housing was required when the amount of market housing provided exceeded the relevant trigger threshold.
22. From 2013 Westminster experienced a loss of office stock to housing, including high value housing that was perceived to contribute little to addressing wider housing need. The Association supported the City Council in introducing policy that resisted office-to-residential conversions.
23. The Association also suggested that development in central Westminster should focus on the two overarching objectives of affordable housing delivery and economic growth, by removing the requirement to provide **market** accommodation alongside commercial development.
24. Given the acute need for affordable housing in Westminster, the Association continues to support the delivery of affordable housing as an outcome of commercial redevelopment, through supportable levels development in appropriate locations and through payments in-lieu where this can deliver an improved outcome in an alternative location within Westminster.
25. Draft Policy 10, requiring 35% affordable housing will not achieve this objective. This is because it represents a very considerable increase – almost tripling – the amount of subsidised floorspace required.⁶

⁶ Table 2.1 and Appendix 5 of the Association’s July 2019 response set out the mathematics in a series of worked examples.

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26. In addition to the examples within the July 2019 representations, the Association has tested the effect of the proposed policy, and payment in lieu levels, on two additional typical medium-scale development proposals that have either recently received planning permission or are being considered.
27. These show an increase in the affordable housing requirement / payment in lieu of from c. £900,000 to £18m, and from £1.28m to £55m, respectively. These illustrate the very significant effect of the policy.⁷ Such a significantly increased requirement is unlikely to be viable and is likely to prevent development of any scale coming forward, thus preventing delivery of both office and affordable housing.
28. Policy 10 will, therefore, pose a serious additional constraint, and cost, to office development. This will go significantly beyond existing constraints and costs, despite the current policy failing to halt, or reverse, the continued decline in Westminster’s office stock.
29. This constraint will be imposed at a time of considerable economic uncertainty caused by Covid-19.
30. There is no requirement within the NPPF for affordable housing to be sought from commercial development, unlike housing development. It is not a requirement of the draft London Plan.
31. Other central London boroughs seek at least 35% affordable housing from residential development. None, however, aside from Westminster as proposed, seek that proportion from commercial development. LB Camden is the only other central London authority seeking some contribution to affordable housing from commercial development in some circumstances.
32. The proposal approach will harm, rather than support and enhance, the CAZ’s office role.⁸ Consequently, the proposal is not in general conformity with the London Plan as it will not support the objectives of Policy SD4 and SD5.
33. The City Council has not produced robust, proportionate, evidence to demonstrate that the requirements of the policy will be deliverable. The Association’s analysis indicates that it will not be deliverable, as do real-world development patterns. **In the absence of robust evidence, the policy is not justified and is therefore unsound.**

(31) – How would the policy affect commercial growth.

⁷ The details are set out at Appendix 1 to this statement.

⁸ Policy SD4(B) states “the nationally and internationally significant office functions of the CAZ should be supported and enhanced by all stakeholders, including the intensification and provision of sufficient space to meet demand for a range of types and sizes of occupier and rental values.”

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34. The Association considers it is highly likely that the proposed policy would lead to a substantial fall in the renewal, growth and intensification of new employment floorspace in Westminster. The policy would not reverse the current decline in the City’s office stock and would prevent the employment and jobs targets from being achieved.
35. This is because, first, the proposed change in policy would very substantially increase the amount of subsidised floorspace that would be required from commercial development in Westminster.
36. Prior to 2016, commercial office development was expected to provide, effectively, 12.5% of the increase in commercial floorspace was required as affordable housing. The remainder of the space could be value-generating, be it office or (market) residential.
37. From 2016, the same approach has applied but with buildings permitted to expand by 30% before being required to provide housing, including affordable housing.
38. Nevertheless, over that period, there has been a sustained decline in Westminster’s office stock, coming to c. 770,000sqm over the period 2013-2019.^{9 10}
39. There has been an average annualised **loss** of c. 35,000sqm per year, not including sites where construction is currently underway. This compares with the annualised target of c. 36,000sqm of additional B1 stock.
40. Within the remaining current plan period (2020/21 to 2036/37) a net gain of c. 96,000sqm of B1 space per year would be necessary to achieve the current target of 774,000.¹¹ Even if all office losses ceased from next year, it is highly unlikely that the current policy target of 774,000 sq m would be met as office gains are some 50% below the 95,000sqm per annum rate that would be necessary.
41. A policy framework that has required substantially **less** non-value generating, or subsidised, floorspace than now proposed has not been successful in achieving the existing plan’s employment floorspace growth target. A significant reduction in the City’s employment floorspace has occurred.
42. A policy that would require significantly more subsidised floorspace would not reverse this trend. Whilst preventing the loss of office space to alternative uses could prevent significant further reductions, this would not promote the scale of growth in new space necessary. The policy is likely to be undeliverable, in its own right, and prevent other local, and regional,

⁹ Including sites where construction is underway.

¹⁰ EV_GEN_013 - Authority Monitoring Report 2018-19 (WCC, March 2020), page 25

¹¹ Ie. the adopted City Plan seeks to achieve 774,000sqm of addition office space in the remaining 16 years of the current plan period to 2036/37 (Policy S20). 775,469sqm is reported as having been, or in the process of being, lost since the start of the plan period in 2013 (EV_GEN_013 p25). Thus achieving 1.55m sqm of office space over the next 16 years would require delivery at sqm 96,000sqm per year, on average.

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policy objectives from being achieved. **The policy is not effective, as it is not deliverable, and is therefore unsound.**

43. Second, the Association’s analysis of the viability evidence, its own study, and the experience of the Association’s Members, is that many forms of commercial development would no longer be deliverable under this policy. Commercial growth would be discouraged. This is explained at question 33.

(32) – What is the basis for the percentage contributions and floorspace thresholds

44. The percentage contribution sought (35%) is too high and will not be deliverable, for the reasons summarised in this statement and the Association’s previous representations.

45. The Association supports the use of appropriate thresholds. The current thresholds are, however, too low. It has proposed alternatives.¹²

(33) – How was viability been taken into account in formulating the policy and is the evidence on viability sufficiently comprehensive and robust.

46. The Association does not consider the viability evidence to be sufficiently comprehensive and robust.

47. The reasons for the Association’s concern are set out in detail in:

- a. The Response to the Viability Review, July 2019 (Appendix 3 to the Association’s Regulation 19 response); and
- b. Its Interim Statement, April 2020.

48. The Response to the Viability Review concluded that the review:

- a. did not use a sufficiently wide range of development sizes, typologies and locations;
- b. did not appropriately evidence or justify the land value benchmark for existing buildings;
- c. included sensitivity testing solely on residential uses, and did not include any downside viability testing;
- d. did not include formal sensitivity analysis for commercial schemes to consider changes in cost and values likely to be experienced over the Plan period;

¹² See paragraph 6.43, July 2019 Representations

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- e. was very limited in its analysis of commercial schemes and did not reflect the changing dynamics and development values of the various sub-markets (including the Central Activities Zone) around the City;
 - f. made unreasonable assumptions about the particular risks, motivation and required profit levels of developers active within the Central London market; and
 - g. reached conclusions that cannot be replicated even when reproducing BNP PRE's inputs.
49. Subsequently, in analysing the additional information then submitted alongside the submission version of the plan, the Association remained concerned about the small number of typologies for office development tested; the lack of transparency, and apparent inaccuracies, in the application and testing of Policy 10; and the lack of sensitivity testing for a stagnant or recessionary market.¹³
50. The likely economic effects of Covid-19, in at least the short to medium term, illustrate the importance of robust sensitivity testing. The evidence base has not adequately assessed the implications of a recession for development viability. Viability through a recession, as the UK is now entering, has not been adequately taken into account in formulating the policy. The evidence base is not sufficiently comprehensive, nor is it sufficiently robust, to support the policy.
51. It is not appropriate to rely on subsequent supplementary guidance to set out detail of how the policy will be applied. This would mean that detailed testing of the operation of the policy, based on that guidance, could only occur later, preventing robust evidence being provided at this stage to prove that the proposed policy is justified and effective.
52. Consequently, the policy is unsound as it is not based on proportionate evidence and is therefore not justified.

(34) – How would the viability of particular schemes be taken into account?

53. The effect of Policy 10 is so significant that it is likely that viability testing on a scheme-by-scheme basis would be required for most, if not all, commercial development. This is **not** the Association's preferred outcome. To require viability testing on a scheme by scheme basis would introduce significant delay and uncertainty and add to continued public distrust of the process, developers and the City Council.
54. These are the reasons why the Association considers that draft Policy 10 is unsound and should be removed.

¹³ These points are set out in the Interim Statement.

55. Without prejudice to this position, should the Policy 10 be retained, the text itself should recognise that the viability and circumstances of individual proposals will be considered on a site by site basis, to encourage, rather than discourage, development in order to contribute to the City's employment targets.

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

56. The policy is insufficiently flexible regarding off-site provision and payment in lieu. Onsite provision will frequently be difficult to achieve in the CAZ on sites that are currently developed. Isolated, individual residential units may not provide good quality homes when surrounded by commercial development, nor will this deliver the quantum of homes and the necessary local amenities that are required. This is why the London Plan emphasises the need to consider the potential to use land use swaps, credits and off-site contributions in relation to commercial development within the CAZ.¹⁴ The use of off-site provision and payment in lieu should be accepted as an alternative to on-site provision throughout the CAZ. The objective must be to deliver the greatest number of high quality affordable homes, rather than to prioritise on-site delivery.
57. The City Plan should stand alone in defining the basis of quantitative provisions for matters such as affordable housing. It does not currently do so. Defining how affordable housing payments are calculated (including, presumably, the quantum of space required as well as the £/sqm cost in lieu) is integral to the deliverability of the policy and should be tested as part of it, rather than left to supplemental guidance as envisaged by the LDS.¹⁵
58. The payment in lieu levels referred to in the BNP Paribas Payment in Lieu note, if these are the charges proposed for use, combined with the scale of affordable housing requirement sought, are very considerably beyond those that would currently arise.¹⁶
59. Table 1 below summarises the extent of change. Such an increase is unlikely to be viable. Thus it is unlikely the schemes would be delivered, and the PIL that would currently arise, and the commercial floorspace, would be foregone.

¹⁴ Intend to Publish London Plan, SD5(l)

¹⁵ CORE_023, Local Development Scheme, March 2020, page 8

¹⁶This is shown by the examples referred to above and in Appendix 1.

Example	Current PIL	Proposed PIL
1 – Recent, medium scale, office redevelopment	£872,900	£18,585,000
2 – Repurposing / redeveloping of former retail building	£1.28m - £16m	£55.755m
3 – Redevelopment of a clear site	£24.3m	£178.1m
4 – Redevelopment of a sui generis building for office	£11m	£43.4m
5 – Extension of an office building	£0	£34.7m

(35)(ii) – Is there sufficient clarity as to how the policy will be implemented in practice?

60. The way in which the proposed policy would be applied is not sufficiently clear. Paragraph 26 of the Interim Statement illustrates this uncertainty, taking Typology 62 as a worked example. It is entirely unclear how Policies 9 and 10 would interact and, additionally, what the effect of modification M/H/11 would be. The City Plan does not provide sufficient technical detail to indicate clearly what level of affordable housing will actually be needed in real-life circumstances. This also means that it is not possible to establish if the viability testing, that has been undertaken, has actually been carried out in the way in which the City Council envisages policy being applied.
61. This is compounded by proposed modification M/H/11, which would, in effect, capture changes of use within mixed-use policy.

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

62. The Association does not support proposed modification M/H/11. This is a significant potential change. The City Council has not consulted on it nor is it clear that the effect of this has been taken into account in the viability assessment.
63. The effect of M/H/11 would be to capture the change of use of existing floorspace that is being repurposed (either through comprehensive redevelopment or, increasingly, through refurbishment/extension) as office space. This appears to discourage the more efficient use of existing buildings. This may become more likely as a result of structural changes brought about by Covid-19 especially to the retail sector; preventing the re-use of vacant multilevel retail buildings or, potentially, hotel buildings as office space by imposing a very high tariff is unsound. Increasingly, repurposing of existing buildings is encouraged for sustainability and can result in substantial carbon savings. Example 2 within Appendix 1 is based upon the

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change of use and extension of a building currently primarily in retail use. The potential affordable housing requirement increases from between £2.5-£11 to £55m.

64. The Association considers that Policy 10, as drafted, makes the City Plan unsound. Policy 10 is unsound and should be removed in its entirety. This is because it is not justified, as it is not based on proportionate evidence, and it is ineffective as it will not be deliverable. It will prevent other objectives of the City Plan, and of regional policy, namely commercial growth in the CAZ, from being delivered.
65. The relevant parts of Policy S1 of the adopted City Plan should continue to apply, pending an early review of the new City Plan in respect of affordable housing from mixed use development.
66. The early review would provide the opportunity for a viable and deliverable approach to be developed and tested, and for full detail to be set out within the plan policies rather than relying on subsequent SPD guidance.

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Appendix 1

Additional Worked Examples: 1 – Redevelopment of existing medium-sized office building

Total size of previous building (100% Class B1 office) (sqm GIA)	8,750
Total proposed development (100% Class B1 office) (sqm GIA)	11,750
Net increase (sqm GIA)	3,000
Policy pre-2016	
Policy would have required half the increase to be housing	1,500
Of that, the affordable housing component would have been	240sqm
Alternative payment in lieu (if accepted)	£6.983m
Current policy	
Policy currently requires that half the increased area is housing less 30% of the existing building.	30% of 8750 2,625
Uplift less 30% (3,000 – 2,625)	375
Half of 375sqm should, therefore, be housing.	187.5
No affordable housing would be required / Alternative payment in lieu	£872,900
Proposed Policy	
35% of the 3,000sqm increase	1,050sqm
PIL (£/sqm) ¹⁷	£17,700
Payment in lieu	£17,700 * 1050 £18,585,000

This is a simplified version of a development granted planning permission in 2020.

¹⁷ EV_GEN_004 WCC Payments in lieu Approach (November 2019), pg. 4

Additional Worked Examples: 2 – Redevelopment of existing medium-sized retail building for office purposes

Total size of previous building (100% Class A1 retail) (sqm GIA)	6,500
Total proposed development (100% Class B1 office) (sqm GIA)	9,000
Net increase (sqm GIA)	2,500
Policy pre-2016	
Policy would have required half the increase in office floorspace to be housing	4,500
Of that, the affordable housing component would have been	1,125
Alternative payment in lieu (if accepted)	£20.94m
Current policy	
Policy currently requires that half the increase area is housing less 30% of the existing building.	30% of 6500 1,950
Uplift less 30% (9,000 - 1950)	7,050
Housing requirement*	225 - 3,525 *
No affordable housing would be required / Alternative payment in lieu	£1.28m - £16m *
Proposed Policy	
35% of the 9,000sqm increase	3,150
PIL (£/sqm) ¹⁸	£17,700
Payment in lieu	£17,700 * 3,150 £55.755m

This is a simplified version of a development proposal currently being considered by a WPA member. In practice it is likely that an element of retail would be retained at ground floor, marginally reducing the office uplift.

¹⁸ EV_GEN_004 WCC Payments in lieu Approach (November 2019), pg. 4

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* Existing policy recognises that, “where a relatively small amount of additional floorspace would result in a significant residential requirement under Policy S1, which is not commensurate with the additional floorspace gained, or which would lead to site capacity not being optimised, flexibility will be applied on the amount of residential floorspace sought [to] ensure office floorspace is not disincentivised.”

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Additional Worked Examples: 3 – Redevelopment of a clear site

Total proposed development (50% Class B1 office, 50% C3 residential) (sqm GIA)	28,757
Net increase (sqm GIA)	28,757
Current (and pre 2016) policy	
Would have required 50/50 split between office and residential	14,378.5 C3 14,378.5 B1 (as proposed)
Of this residential, 25% affordable	3,594.63
Payment	£24.3m
Proposed Policy	
35% of the 28,757sqm	10,064
PIL (£/sqm) ¹⁹	£17,700
Payment in lieu	£17,700 * 10,064 £178.1m

This is a simplified version of a development proposal currently being considered by a WPA member. In practice it is likely that an element of retail would be retained at ground floor, marginally reducing the office uplift.

¹⁹ EV_GEN_004 WCC Payments in lieu Approach (November 2019), pg. 4

Additional Worked Examples: 4 – Redevelopment of existing medium-sized retail building for office purposes

Total size of previous building (100% sui generis) (sqm GIA)	5,000
Total proposed development (100% Class B1 office) (sqm GIA)	7,000
Net increase (sqm GIA)	2,000
Policy pre-2016	
Policy would have required half the increase in office floorspace to be housing	3,500
Of that, the affordable housing component would have been	875
Alternative payment in lieu (if accepted)	£16.2m
Current policy	
Policy currently requires that half the increase B1 area, less 30% of the existing building, is housing	2,750sqm housing on-site (7000 less 5000 * 0.3)
Of that, the affordable component would be	687.5sqm (25%)
Alternative payment in lieu	£11.8m
Proposed Policy	
35% of the 7,000sqm increase	2,450
PIL (£/sqm) ²⁰	£17,700
Payment in lieu	£17,700 * 2,450 £43.4m

This is a simplified version of a development proposal currently being considered by a WPA member. In practice it is likely that an element of retail would be retained at ground floor, marginally reducing the office uplift.

²⁰ EV_GEN_004 WCC Payments in lieu Approach (November 2019), pg. 4

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Additional Worked Examples: 5 – Extension of office building (Henrietta House)

Total size of existing office building (100% B1) (sqm GIA)	21,000
Total proposed (100% Class B1 office) (sqm GIA)	26,500
Net increase (sqm GIA)	5,500
Policy pre-2016	
Policy would have required half the increase in office floorspace to be housing	2,750
Of that, the affordable housing component would have been	687.5
Alternative payment in lieu (if accepted)	£12.8m
Current policy	
Policy currently requires that half the increase B1 area, less 30% of the existing building., is housing	No requirement. (5,500sqm is less than 30% of existing).
Proposed Policy	
35% of the 5,500sqm increase	1,925
PIL (£/sqm) ²¹	£17,700
Payment in lieu	£17,700 * 2,450 £34.7m

²¹ EV_GEN_004 WCC Payments in lieu Approach (November 2019), pg. 4