

Mixed Use Revision

Publication Draft (Regulation 19) Revision to Westminster's City Plan: Strategic Policies



Revision to Westminster's City Plan

July 2015



City of Westminster

MIXED USE REVISION TO WESTMINSTER'S CITY PLAN

This document sets out revisions to Westminster's City Plan: Strategic Policies adopted in January 2014. It only includes those parts of the Plan that are subject to change. There are other proposed revisions to this plan which can be found at [www.westminster.gov.uk/policy/City Plan revisions](http://www.westminster.gov.uk/policy/City%20Plan%20revisions).

Text changes

Text to be deleted is shown as ~~striketrough~~ text. Text to be added is shown as underline text or, where there are large new sections, prefaced by the text "*Insert the following new text after...*". Changes to the Glossary and References section at the end of Westminster's City Plan are included as two lists of a) text to be added and b) text to be deleted. All unchanged parts of the Glossary and References sections have not been included.

Changes to Figures (tables, charts and diagrams)

All Figures shown replace the adopted figures in Westminster's City Plan. Figures that have not been changed have not been included. Changes to tables only include those rows that are subject to change (Figure 55, Figure 56, Appendix 3).

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Land Use Pie Charts for areas in Part III are based on 2010 pipeline data from Westminster City Council's land use monitoring [except where otherwise stated](#).

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PART I: INTRODUCTION

WESTMINSTER'S CITY PLAN

1.8 Westminster's City Plan is the local plan for Westminster. It sets out the vision for the City of Westminster up to and beyond 2026/27, and puts in place a policy framework to deliver that vision. Taken as a whole, it is the local expression of sustainable development. It balances competing requirements and demands to deliver against economic, social and environmental objectives. Looking to the future, it will deliver sustainable economic development including homes, business premises and infrastructure in a way that enhances those key attributes that make Westminster a great place to live, work and invest and creates thriving sustainable communities. **This plan only includes the strategic policies for the borough and is subject to a number of revisions which add more detailed policies. However it is not, in itself, a comprehensive policy framework for Westminster. It needs to be revised further to include the further detailed City Management policies, previously developed as a separate Development Plan Document. A Further revisions to this document is are underway. to integrate these policies and any necessary supporting text into this document to create the local plan for Westminster.** References have been made within this document highlighting ~~examples~~ where further City Management policy is necessary to provide detail. **Once this further the programme of revisions is are adopted, this they will replace all of the remaining saved policies in Westminster's Unitary Development Plan not referred to in Appendix 5.**

PART II: A UNIQUE CITY

THE LOCAL CONTEXT

WESTMINSTER AT THE HEART OF A GLOBAL CITY

2.1 Westminster is one of the most recognised, celebrated and exciting places in the world. It is at the heart of London, which is one of the leading world cities. Westminster is the seat of government and the Monarchy, thriving business clusters, a focus for culture and entertainment, a centre of learning and research and a hub for commerce and retailing. ~~It and~~ is home to many government departments, law courts, ~~many~~ places of worship of international importance, embassies and diplomatic institutions and other functions of the state. This activity is centred on the West End, a major national and international asset. It is the largest and most diverse concentration of jobs in the UK. Accommodating over 600,000 employees it is also one of the densest employment hubs in the world. Many of Westminster's attractions and functions, both in the West End and beyond, are emblematic of London itself.

2.2 The residential population of approximately ~~253,000~~ 227,000ⁱ swells to over 1 million every day, due to the influx of workers, visitors and tourists. This pressure is intense, at times overwhelming, and is central to both the city's character and many of its challenges. This level of movement and activity means that Westminster's more tranquil places; its parks, squares and residential enclaves are particularly valued. It also means that the residential environment offered is very different from that found in most other parts of London, with housing and commercial activity in very close proximity.

EMPLOYMENT AND THE LOCAL ECONOMY

2.4 Westminster functions as a national and international centre for business, shopping, arts and culture, and entertainment. It accommodates over 700,000 ~~590,000~~ jobs, ~~14%~~ 13% of all of London's jobs, and more than any other London local authority. the City and Canary Wharf combinedⁱⁱ. Westminster's economy generated ~~s~~ around £56 ~~£40~~ billion annually in Gross Value Added (GVA) in 2014/15, 16% ~~15%~~ of London's GVA, and 3.5% ~~3.1%~~ for the UKⁱⁱⁱ.

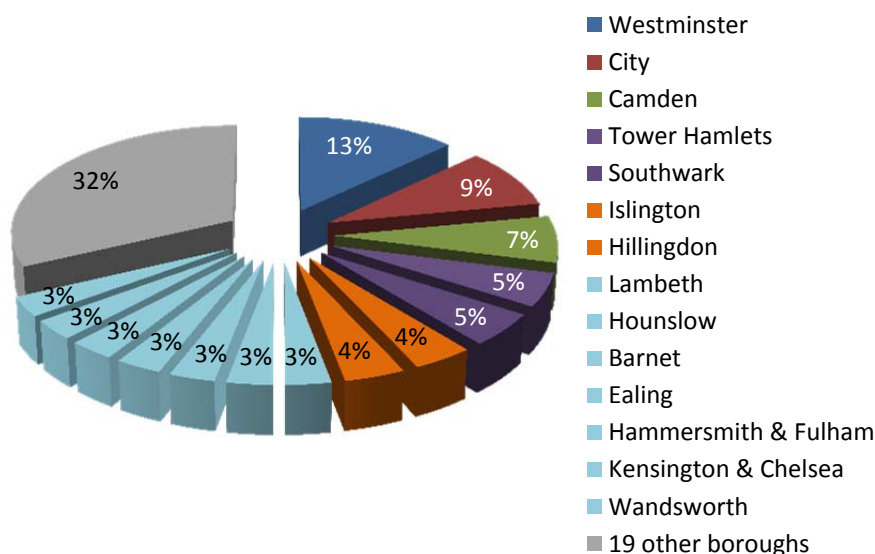


FIGURE 4 PROPORTION OF LONDON'S JOBS WITHIN EACH BOROUGH (BOROUGH WITH OVER **100,000** **130,000** JOBS SHOWN) **2014 2010**^{iv}

2.5 Westminster's **43,000 46,000** businesses have a diverse and balanced employment offer, particularly when compared to other areas of the capital such as the City of London^v. This reflects its mixed character and contributes to its economic resilience. **Core business activity is focused in the West End, together with Paddington to the north- west and Victoria to the south. These areas host financial, commercial and professional services, creative, retail, leisure, tourism, eating, entertainment and cultural sectors. About** **seventy percent of these Westminster's** businesses are small businesses employing less than five people, and **about 85% 83%** employ less than ten people^{vi}. This is similar to averages for London and England as a whole.

A UNIQUE CITY

2.16 The City of Westminster is therefore unique and requires a bespoke planning framework to respond to the opportunities and challenges over the next 20 years. Looking towards **2036 2026/27**, Westminster will continue to play a key role at the heart of London: the profile of London as one of the world's great global cities should continue to bring long-term benefits through visitors, business and investment; we need to make our contribution to tackling climate change; rise to the challenge of new economic circumstances, changing markets and employment sectors; and changes in the composition of households and families, and the way people carry out their daily lives. This planning framework must retain those unique characteristics that make Westminster what it is today: its heritage, vibrancy, and mix of activities and places. The following chapters set out this planning framework to deliver Westminster's spatial vision for the future.

WESTMINSTER'S ISSUES AND CHALLENGES

ACCOMMODATING STRATEGIC LAND USES WITHIN A UNIQUE CENTRAL LONDON MIX

2.2120 Westminster is a nationally and internationally important location for offices, retail, media and creative industries, arts and culture, higher education institutions, entertainment and tourism, which it accommodates together with the functions of government and the state. The locations of these strategic land-uses overlap and all converge in the West End.

The West End boasts the busiest shopping district in the world centred around Oxford, Regent and Bond Streets. Westminster supports London's £22 billion visitor economy, ranging from the Abbey Road pedestrian crossing to 8 of the 20 top London visitor attractions. It is also the heart of London's evening and night-time economy, including 39 Michelin-starred restaurants. The home of theatre in Theatreland and cinema centred around Leicester Square are within the West End, and Westminster has a third of London's music, visual and performing arts employment and a third of London's television and radio employment.

2.2021 Westminster's central area, designated the Central Activities Zone (CAZ) within Westminster's City Plan, contains a mix of uses and activities that is unique both in London and the world. The complex mosaic of land uses gives Westminster its vitality, character and role within London as a world city. The apparent randomness of the mix is the product of the area's long history of changing patterns of land use and, since the 1970s, of careful control through planning policies and negotiations. This approach has proved a success: Soho, Mayfair and other central areas have retained their prestige as a desirable location for businesses and vitality and attraction, and the policy approach ensures that no one use dominates. ~~Monitoring of this approach indicates that while there have been overall increases in office floorspace, the relative proportion of office floorspace within the most central part of this area (designated the Core CAZ) has changed very little over the past 25 years (50% in 1983, 51% in 1990, 48% in 2008 and 46% in 2011).~~ This mix not only makes Westminster's Central Activities Zone unique, but also helps gives it a human scale, significantly enhancing the experience of the city from street level. **This approach successfully retained the proportion of office floorspace in the Core CAZ at between 48% and 51% since the early 1980s. However, significant office losses were seen from 2010/11 until 2015/16 due to a change in market drivers. The policy approach was modified to ensure that this loss did not continue and the CAZ could continue to fulfil its strategic function as an internationally important commercial agglomeration.**

2.22 Provision of housing within these areas is also intrinsic to its uniqueness and success. From flats in Soho to large residential neighbourhoods such as Pimlico, this residential element plays a major role in defining the character of different parts of the CAZ. The mix of uses must be carefully managed to ensure that **the residential use is part of the overall mix of uses, supporting the strategic function of the CAZ as a place to work and visit. Where homes are appropriate a healthy and safe residential environment must be able to be provided without compromising business activity, acknowledging that more commercial parts of the CAZ have a buzz and level of activity greater than primarily residential areas. is maintained.**

2.23 Maintaining such a complex environment will require a similarly rigorous approach over the lifetime of the plan, so as to ensure that incremental changes through site-by-site redevelopment do not erode the mix either at a very local level or across the wider area.

Policies to address this issue are set out at: S1 Mixed Use in the Central Activities Zone; S2 Special Policy Areas; S3 Paddington Opportunity Area; S4 Victoria Opportunity Area; S5 Tottenham Court Road Opportunity Area; S6 Core Central Activities Zone; S7 West End Special Retail Policy Area; S8 Marylebone and Fitzrovia; S9 Knightsbridge; S12 North Westminster Economic Development Area; **S14 Optimising Housing Delivery**; S18 Commercial Development; S20 Offices and Other B1 Floorspace; S21 Retail; S22 Tourism, Arts and Culture; S23 Hotels and Conference Facilities; S24 Entertainment Uses; S27 Buildings and Uses of International and National Importance; S29 Health, Safety and Well-Being; S31 Air Quality; S32 Noise; S33 Planning Obligations and Delivering Infrastructure; S42 Servicing and Deliveries; S43 Major Transport Infrastructure.

LACK OF AVAILABLE LAND, HOUSING, AND COMPETING LAND USES

2.27 Westminster's local economy relating to the Central Activities Zone also creates challenges for the borough. Since 2010/11, Westminster has seen significant annual losses of office floorspace. Much of this has been lost to housing, and the relative proportion of offices in the Core CAZ has declined to 46%, from a previous balance of between 48% and 51% retained for the 30 years previously. For this reason, a change in approach to offices within this strategically important area has been necessary. ~~In many cases developers would prefer single use office developments rather than a mix of uses, but such developments threaten the balance of uses which are so important to the character of Westminster's CAZ. For this reason, there is a particular problem ensuring that new housing development comes forward, and the council must actively and rigorously pursue housing development if it is to meet its statutory housing target.~~

PEOPLE PRESSURE

2.29 Westminster's residential population of approximately 250,000 swells to over one million during the daytime, with the influx of workers, visitors and tourists. Such intense activity is part of what makes Westminster exciting and vibrant, but is also one of its greatest challenges. It places enormous pressure on transport systems and the public realm and some locations struggle to accommodate the sheer numbers of people. Almost all journeys within Westminster involve a portion of walking within the public realm. A significant proportion of the capacity of social and community facilities and emergency services are taken by visitors rather than residents, and open spaces and parks, particularly the five Royal Parks, experience extraordinarily high visitor numbers from non-residents. The influx of visitors also extends into the evening and night-time, as people are drawn in for the entertainment offer, particularly concentrated around the West End. The high level of activity and 24 hour nature of some parts of the city strongly affects noise, air quality, crime and security, waste and the provision of local services. **The West End offers an almost unique residential environment, with the activity and offer of a 24 hour city on the doorstep. However, the City Council receives an increasing number of complaints from residents suggesting that the relationship between residents' expectations and business activity are not always well matched. The introduction of 24 hour tube running in September 2015 will further increase activity later into the night.** The functions of state and government, together with large events befitting Westminster's Central London role, and high numbers of people make the threat of terrorism a particular issue within the borough, and one which is best managed at design stage.

2.30 Regional growth also puts greater pressure on Central London locations such as Westminster, as people move through the city, and access centrally-located services and facilities as well as jobs. This movement to, through and across the city contributes to Westminster having amongst the worst air pollution in the country.

Westminster's activity makes it different from any other local authority in the country.

WESTMINSTER'S SPATIAL STRATEGY

WESTMINSTER'S SPATIAL VISION

~~To make~~ Westminster will remain a the foremost world class global city, while improving its sustainable performance: A city which values its unique heritage and accommodates growth and change to ensure the city's continued economic success while providing opportunities and a high quality of life for all of its communities and a high quality environment for residents, workers and visitors alike.

WESTMINSTER'S STRATEGIC OBJECTIVES

1. To accommodate sustainable growth and change that will contribute to enhancing London's Westminster's role as the heart of a pre-eminent a sustainable world class city, including building on its internationally renowned business, retail, cultural, tourism and entertainment functions within the Central Activities Zone; to support the unique economic breadth and diversity of the West End and its fringe areas including the Opportunity Areas; whilst maintaining its unique and historic character, mix, functions, and townscapes.
4. To increase the supply of good quality housing across all parts of the city to meet Westminster's housing target, and to meet housing needs, including the provision of affordable housing and homes for those with special needs; whilst ensuring that new housing in commercial areas coexists alongside the business activity and an appropriate balance of uses is maintained.
5. To manage the pressures on the city from its national and international roles and functions, supporting business communities and tourism, and ~~to~~ ensuring e a safe and enjoyable visitor experience.

WESTMINSTER'S SPATIAL STRATEGY

EMPLOYMENT AND THE ECONOMY

2.36 Westminster is projected to accommodate growth in employment of about ~~56,000 people~~ 77,000 jobs to 2036 between 2012/13 to 2026/27^{vii}. This provision will include 5,000 new jobs in Paddington Opportunity Area, 4,000 in Victoria Opportunity Area, and about 5,000 in the Tottenham Court Road Opportunity Area, including those areas within the London Borough of Camden^{viii}. It is crucial to remove barriers to employment for

Westminster's residents, such as a lack of skills and training. This will reduce deprivation and social exclusion, and provide a skilled, local workforce for Westminster's businesses.

2.37 Over the life-time of this plan, Westminster will continue to be one of London's most important office locations. New offices and other B1 business floorspace will be directed to appropriate locations within the Central Activities Zone, primarily the three Opportunity Areas at Paddington, Victoria and Tottenham Court Road, the Core Central Activities Zone, and to Named Streets within Marylebone and Fitzrovia. This will be delivered in such a way that maintains Westminster's unique mixed use character within Central London

recognising the importance of Westminster's office stock to the national economy, ~~with approximately half of the floorspace across the whole of Core CAZ being office floorspace.~~

Overspill office and other B1 accommodation will be directed to appropriate locations within the North Westminster Economic Development Area, extending the existing office stock being delivered within the Paddington Opportunity Area.

HOUSING

2.40 Westminster offers a wide range of residential environments from quiet suburban streets to the hurley-burley of a global 24 hour city. As a general principle, housing is acceptable ~~on all sites within~~ in all parts of Westminster although it will not always be appropriate on all sites in the Central Activities Zone. As a minimum, an average of ~~770~~ 1,068 new homes will be delivered annually within Westminster. Opportunities for residential development will be optimised except in those parts of CAZ where the priority is for commercial development and where the introduction or increase of residential floorspace would be detrimental to the strategic functions of the CAZ as an internationally important business agglomeration, and is the priority land use for delivery. Housing delivery will slow in the later plan period as larger available sites are developed.

2.42 The quality of the residential environment, **relationship between residential and commercial activity** and local characteristics of Westminster's neighbourhoods will continue to be a defining consideration for development proposals. This is expressed in the area-based policies throughout this plan.

ⁱ ONS Population Mid Year Estimates ~~2013~~ **2010**

ⁱⁱ **ONS Regional Labour Market: LI01 - Local Indicators for Counties, Local and Unitary Authorities April 2015 Business Register and Employment Survey 2010-11**

ⁱⁱⁱ **ONS, CEBR Analysis 2014 City of Westminster Local Economic Assessment Baseline Study, 2011**

^{iv} **ONS Regional Labour Market: LI01 - Local Indicators for Counties, Local and Unitary Authorities April 2015 Business Register and Employment Survey 2010-11**

^v Business Register and Employment Survey 2010-11

^{vi} Business Register and Employment Survey ~~2013/14~~ **2010-11**

^{vii} **GLA Employment Projections 2013 London Office Policy Review, 2012**

^{viii} London Plan ~~2015~~ **2011**.

PART III: LOCAL SPATIAL POLICIES

THE CENTRAL ACTIVITIES ZONE

3.1 As Westminster has evolved, it has become one of the most mixed and exciting places in the world. This activity is centred around the West End, and includes the area which since the 1970s has been termed the Central Activities Zone (CAZ). Here, together with the functions of state and the Monarchy, are over 40,000 businesses, more office floorspace than the City of London and Canary Wharf combined, the nation's largest entertainment centre, London's theatre district and the West End cinemas, one of the most important hubs of creative industries in the world, and internationally important shopping offer including the West End and part of Knightsbridge. This area contains about 17% of London's hotel bedspaces and some of London's most recognised tourist attractions and most iconic public spaces such as Piccadilly Circus, Leicester, Trafalgar and Parliament squares, the Royal Parks and Speakers' Corner. All this takes place in an area that over ~~35,000~~ 21,500 people call home¹. ~~These residents~~ This mix creates the unique character of Westminster's CAZ that makes it so different from any other part of London and unique in the world.

3.3 The central part of Westminster's CAZ is characterised by an intense level and range of activities. The council has designated this part of the CAZ as the Core Central Activities Zone (Core CAZ). The intensity of use and range of activities in the Core CAZ is not always appropriate in the other parts of the CAZ, which have their own unique character and role within the city. Approximately 120,000 people live across the wider CAZ area and there are many areas that are predominantly residential.

MIXED USES IN THE CENTRAL ACTIVITIES ZONE

3.5 There is an insatiable demand for every type of floorspace ~~strong competition for floorspace~~ within the CAZ from its internationally important agglomerations of commercial activities and functions, ~~but it is vital that consideration is also given to the place of~~ to its residential communities ~~and housing in the Central Activities Zone~~.

3.6 Managing Westminster's CAZ is all about balance. The mixed character of the CAZ is central to its economic **diversity and** vibrancy and is also crucial in attracting visitors and businesses. It also makes a significant contribution to the unique character of Westminster. It is acknowledged that in seeking mixed use, potential conflicts may be created which need to be managed. However, the benefits of genuine mixed use outweigh the difficulties of securing mixed use development or the additional management needs that may be generated by such a complex environment.

POLICY S1 MIXED USE IN THE CENTRAL ACTIVITIES ZONE

The council will encourage development which promotes Westminster's World City functions, manages its heritage and environment and supports its living, working and visiting populations.

Within the CAZ, a mix of uses consistent with supporting its vitality, function and character will be promoted.

A) Where proposals are outside Core CAZ, the Named Streets or Opportunity Areas, or within these areas where proposals increase the amount of floorspace by less than 30% of the existing building or less than 400sqm (whichever is the greater) no residential floorspace will be required.

B) Where proposals in Core CAZ, the Named Streets or Opportunity Areas increase the amount of floorspace by between 30% and 50% of the existing building, and more than 400sqm:

i. net increases in B1 office floorspace (up to a maximum of the net additional floorspace above the 30% development uplift threshold), will be accompanied by an equivalent amount of residential floorspace, either on-site, off-site or by mixed use credits (Policy CM47.2); or

ii. net increases in B1 office floorspace (up to a maximum of the net additional floorspace above the 30% development uplift threshold) will be accompanied by an affordable housing payment in lieu equivalent to the net gain in B1 office floorspace (subject to the 30% development uplift threshold as above).

It is at the applicant's discretion whether they wish to apply i. or ii. above.

C) Where proposals in Core CAZ, the Named Streets or Opportunity Areas increase the amount of floorspace by more than 50% of the existing building and more than 400sqm, net increases in B1 office floorspace (up to a maximum of the net additional floorspace above the 30% development uplift threshold) will be accompanied by an equivalent amount of residential floorspace. The residential floorspace will be

provided in accordance with the following cascade. Applicants are required to demonstrate to the council's satisfaction that it is not appropriate or practicable to provide the floorspace (in whole or in part) at each step of the policy cascade before they can move to the next.

- i. The required floorspace will be provided on-site or in the immediate vicinity of the site.
- ii. The required floorspace will be provided off-site (including through a draw down of mixed use credits in accordance with Policy CM47.2) on a site in the vicinity of the development site, or in the case of Victoria and Paddington Opportunity Areas, within that Opportunity Area.
- iii. The required floorspace will be provided off-site (including through a draw down of mixed use credits in accordance with Policy CM47.2) elsewhere within the CAZ. This part of the cascade does not apply to Victoria and Paddington Opportunity Areas. The housing provided must be greater and of a higher quality than would be possible under i. or ii. above.
- iv. Payment of an appropriate Payment in Lieu to the Affordable Housing Fund equivalent to the net gain in B1 office floorspace (subject to the 30% development uplift threshold as above).

In demonstrating that a particular step is not practicable, site specific considerations will need to be taken into account. In demonstrating a particular step is not appropriate, considerations may include where a significantly better outcome can be achieved, in keeping with the council's mixed use objectives, by not providing the residential floorspace on site.

- D) In Core CAZ, the Named Streets or Opportunity Areas, where changes of use from office to residential and/or replacement of office floorspace with residential floorspace are acceptable in principle under Policy S20, the net increase in residential floorspace will be accompanied by an appropriate amount of commercial floorspace and/or social and community floorspace, except where:
- i. the net increase in residential floorspace is less than 400sqm; or
 - ii. in the case of changes of use from office to residential, the building was originally built as residential and the building is substantially retained.

Where these proposals increase the amount of floorspace by more than 50% of the original building and more than 400sqm, net increases in residential floorspace will be accompanied by an equivalent amount of commercial and/or social and community floorspace.

The commercial and/or social and community floorspace can be provided on-site, off-site or by the draw down of mixed use credits (Policy CM47.2) or by an appropriate payment in lieu to the City Council's Civic Enterprise Fund. These options will not apply where an active frontage is required at ground floor level, which must be provided on-site.

~~Where proposals increase the amount of commercial floorspace by 200 sqm or more, or in the case of A1 retail or private educational, health and leisure facilities (D1 or D2), by 400 sqm or more, the provision of an equivalent amount of residential floorspace will be required on-site, where the council considers this to be appropriate and practical. This will not apply to changes of use between commercial uses, except where the change of use is to B1 office use.~~

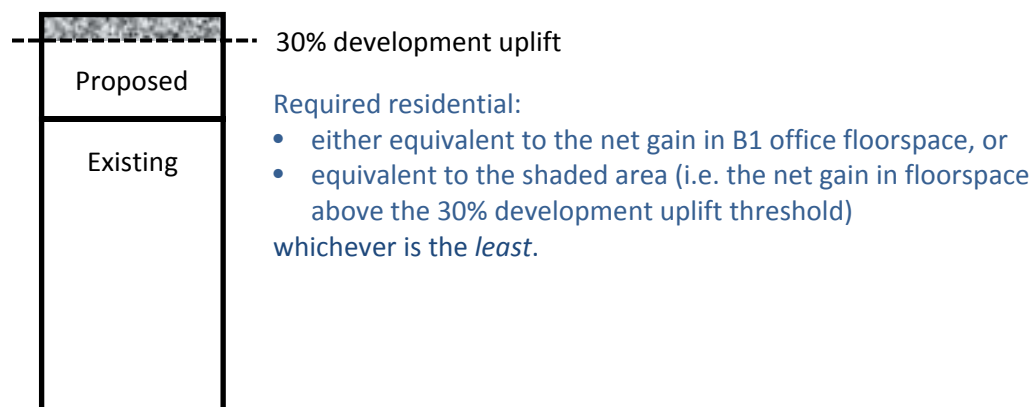
Insert the following new Policy Application between Policy S1 and its Reasoned Justification

Policy Application

The requirement set out in 1B) and 1C) above for residential floorspace from office development applies at above the 30% development uplift threshold (development uplift minus 30% of the development uplift). Development uplift is calculated as follows:

$$\frac{\text{Net gain in floorspace (sqm GIA)}}{\text{Existing floorspace (sqm GIA)}} \times 100$$

Where the site is wholly made up of office floorspace, the requirement for residential simply applies to the net gain in floorspace above a 30% uplift. However, site development with a mix of uses (existing or proposed) can be more complicated, with some of the gain in office floorspace achieved through development uplift and some through changes of use of other types of floorspace. In such cases the required residential can be illustrated on the following page:



The calculation of requirements against this policy is based on Gross Internal Area.

The development uplift is measured as a percentage of the existing building floorspace. However, where extensions that fall below the threshold have been approved, under construction or completed in the previous 5 years, these will not be taken into account in the calculation of the existing building floorspace where the City Council believes incremental extensions are being implemented to avoid the policy requirements.

Reasoned Justification

The council wishes to accommodate the various economic functions that contribute to London's world-class city status and at the same time, build sustainable residential communities. The primary aim of this policy is to maintain and enhance the pre-eminent role of Westminster's CAZ in terms of an internationally important business agglomeration. Westminster's CAZ will continue to accommodate a broad mix of uses, but the balance between residential and commercial uses must be carefully managed to ensure that the core strategic commercial function can continue to thrive. ~~character and function of the CAZ in Westminster by increasing residential uses alongside increases in commercial uses. It is~~ The residential communities living in within CAZ, alongside the commercial uses, which will continue to make it a living, human city centre, which is so attractive to businesses and visitors alike, ~~Bringing new residents into CAZ will~~ contributing e to the balance, variety and vibrancy, of areas in CAZ. ~~The consequent increase in the number of new homes in Westminster's CAZ will be an important contributor to meeting the borough's housing targets, but is considered a secondary reason for requiring mixed use in commercial schemes.~~

Mixed use means offices, shopping, entertainment, cultural, social and community and residential uses sharing buildings, streets and localities. The unique and varied mixed use character across CAZ is fundamental in ensuring the vitality, attraction and

continued economic success of Central London. The mix sought must reflect the needs, character, function and priorities of these varied areas.

~~The council encourages and protects A1 uses so a higher threshold of A1 retail development will ensure there is no discouragement for small scale retail development. The council also acknowledges the role of private educational, health and leisure facilities and therefore applies this higher threshold to those uses. The threshold and proportions are measured by gross floorspace.~~

A mix of uses will be secured where development sites achieve a sizeable uplift in floorspace. Where on-site provision of residential or commercial floorspace is not considered appropriate or practicable practical, a cascade of other options, including the use of land use swaps or residential credits will be applied. ~~, will be set out in detailed City Management policy.~~

Policies relating to the Opportunity Areas (Policies S3, S4 and S5), Core CAZ (Policy S6), West End Special Retail Policy Area (Policy S7) and S20 Offices and Other B1 Floorspace include specific exceptions to the application of this policy.

CORE CENTRAL ACTIVITIES ZONE

3.24 The majority of commercial activity in Westminster is located within Westminster's original CAZ designation, in place since the early 1980s. This area (with minor updates to the boundary) is designated as the Core Central Activities Zone (Core CAZ). It is an economic powerhouse and international destination, home to global companies, world-class hotels, 40 theatres, 20 cinemas, 30 museums and, galleries, about 2,500 restaurants, public houses and bars and over 2,000 shops, all showcasing the best London has to offer in terms of retail, culture, leisure and entertainment. Creative Industries are an important element to the Westminster economy and interdependent with a vibrant cultural sector. The West End, particularly Soho, has the highest concentration of creative businesses in the world UK. The central part of Westminster has one of the largest clusters of cultural and entertainment uses in the country centred around the West End, including Theatreland, Trafalgar Square and Somerset House. This has been designated a Strategic Cultural Area. Millbank, along the Thames Riverside, is also a Strategic Cultural Area, including Tate Britain and the Chelsea College of Art and Design. *[moved from 3.28]* It also has many open, public and green spaces including London Squares and Royal Parks.

3.25 The Core CAZ is ~~an appropriate~~ an internationally important location for commercial developments, institutes and activities and functions of national and international status and importance.

3.28 It is also home to a number of long-standing residential communities, including some areas suffering deprivation within the West End. *[moved from 3.24]*

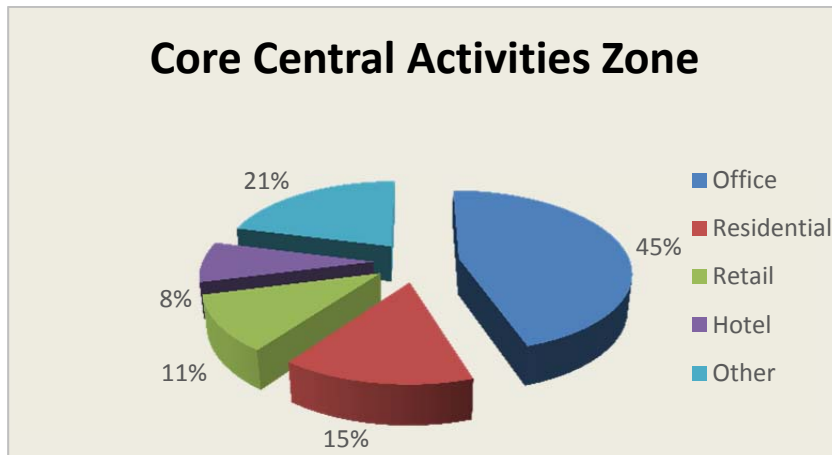
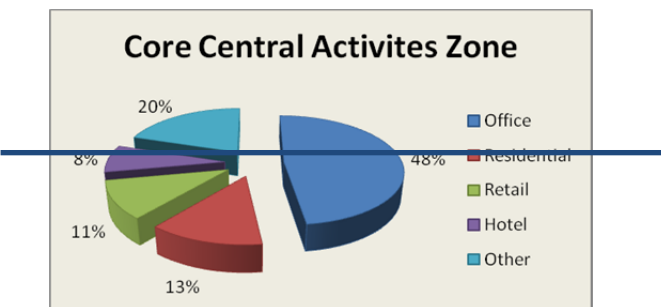


FIGURE 20 CORE CAZ LAND USE BREAKDOWN (2014)



POLICY S6 CORE CENTRAL ACTIVITIES ZONE

The Core Central Activities Zone (Core CAZ) is an appropriate location for ~~residential use and~~ a range of commercial and cultural uses and complimentary residential use, subject to the following priorities:

- Supporting strategically important clusters of uses consistent with enabling the growth and evolution of places to ensure the global reputation of the area as a business location is retained and enhanced.
- Retail floorspace is encouraged throughout the area. Large scale retail development will be directed to the West End International Shopping Centre’s Primary Shopping Frontages, the CAZ Frontages and the Opportunity Areas, with smaller-scale retail development also to its other shopping centres. Development within the Knightsbridge Primary Shopping Frontage

will support the character, function and vitality of the wider International Shopping Centre within the Royal Borough of Kensington and Chelsea.

- Within the West End Stress Area, new entertainment uses will only be allowed where the council considers that they are small-scale, low-impact and they will not result in an increased concentration of late-night uses.
- Development sites within the Millbank Strategic Cultural Area between Lambeth and Vauxhall bridges will deliver a mix of uses including those that support culture and the creative industries - including arts and cultural uses, affordable business floorspace, workshops and studios; and
- Berwick Street market will be protected and the use of Rupert Street for specialist seasonal market trading will be supported.

~~Where retail developments fronting the Primary Shopping Frontages result in the requirement to provide residential floorspace, the residential floorspace may be provided off-site in the vicinity rather than on-site, where the council is satisfied that off-site provision would better contribute to the vitality of the West End Special Retail Policy Area or Knightsbridge International Shopping Centre.~~

Reasoned Justification

This policy approach allows and encourages the growth of commercial uses within the Core CAZ and recognises the significant contribution Westminster makes to London's world city status **and the UK economy**. The Core CAZ is the centre of commercial life and **the** heart of business in London. **It has a deep culture and history, which has created a rich tapestry of instantly recognisable places and spaces at every scale. The area has a density of significance which is unequalled: historic, pop culture, aesthetic, creative and political.**

The unique agglomeration of commerce in this area must be protected and enhanced to ensure the economic sustainability and international reputation of this part of London. It must also be allowed to evolve, to remain vibrant and at the forefront of British culture and businesses.

Retail is an essential element of the mix of uses in Core CAZ contributing to its vibrancy and activity and its function as a world-class shopping destination, including its most famous retail destinations.

There is some potential for redevelopment between Lambeth and Vauxhall bridges to enhance the Millbank Strategic Cultural Area.

It is essential that the strategically important clusters of entertainment uses within the West End remain attractive and safe places in which to live, visit and work. There are identified 'crime hotspots' within the West End Stress Area and introduction of any additional entertainment uses would be unacceptable in many instances. In particular, larger scale and high impact entertainment uses have a disproportionate impact, and are detrimental to the safety and functioning of the area, people's enjoyment and perceptions of the West End as a place to visit, and the character of the streetscape.

~~Off site provision of the residential floorspace may be appropriate in the Primary Shopping Frontages to ensure that retail growth and improved retail space remains the priority. This will maintain a retail experience befitting the international status and help maintain the unique vitality and attractiveness for businesses, shoppers and visitors alike.~~

Cross-reference to Policy S1 Mixed Use in the Central Activities Zone; S18 Commercial Development.

ⁱ Census postcode estimated population of the Core Central Activities Zone, ~~2011~~ **2008**

PART IV: CITY-WIDE SPATIAL POLICIES

HOUSING PROVISION

4.3 Due to its historic fabric, densely built up areas, and lack of surplus industrial land that can be ‘released’ for housing, change within Westminster is typically small-scale and achieved through the sensitive redevelopment of smaller sites and refurbishment of existing buildings. This gives the urban environment its richness and strong local identity. The lack of available land is a considerable constraint for Westminster in meeting its housing needs. In many other parts of London, surplus industrial land makes a significant contribution to meeting the borough’s housing targets. This is not typically the case in Westminster where many sites already contain offices, shops and housing with existing high values, and new housing is delivered by change of use, making more efficient use of floorspace and building to higher densities.

4.4 Westminster has very few large sites, and some of the larger sites that are expected to deliver housing will also be providing a mix of commercial or other uses. For example, the three Opportunity Areas have been designated for major growth for housing and employment uses. Paddington Opportunity Area is expected to deliver at least 1,000 new homes over the plan period 2011 to 2031, Victoria Opportunity Area at least 1,000 new homes. The Tottenham Court Road Opportunity Area is expected to deliver at least 420 new homes, but the majority of this area lies within the London Borough Camden and the parts within Westminster’s boundary are Crossrail sites in the West End International Shopping Centre so are only expected to contribute about fifty residential units. The majority of the housing target will therefore be provided in the London Borough of Camden. In the Central Activities Zone (particularly Core CAZ), housing development competes with office development and other uses which contribute to the unique commercial agglomeration in the heart of the city. These uses must be balanced and the strategic function and fine-grained mix of uses must be protected to ensure the future sustainability of the CAZ. ~~and whether housing proposals come forward depends on the vagaries of the market for these competing land uses.~~ The London Plan sets targets for housing delivery and the policies set out below aim to achieve these targets whilst not compromising other strategic objectives such as economic sustainability, growth, heritage, health and well-being. ~~The council will need to actively and rigorously pursue housing development if it is to meet its statutory housing target.~~

OPTIMISING HOUSING DELIVERY

4.8 The lack of large sites means that housing development in Westminster is usually small scale and involves changes of use and refurbishment and extensions of existing buildings. New homes are therefore expected to be delivered by change of use and redevelopment from ~~offices and other~~ commercial uses where their loss is appropriate and some redundant public sector uses, such as hospital sites; building to higher densities on existing housing sites, and housing required by the mixed use policy. ~~In most circumstances employment uses will be permitted to change use to residential, and Residential use will need to grow alongside significant expansions in commercial floorspace as part of a mix of uses.~~

4.9 Westminster's housing target set out in the London Plan¹ is 1,068 770 new homes per year (equates to 21,360 7,700 units between 2016/17 2011 and 2036/37 2021). Westminster does not have land that it can 'release' for housing development so in order to ensure that there is a continuous five year supply of deliverable housing sites available to achieve the housing target, the council will engage in discussions with landowners to identify and bring forward sites for housing. The council has and will continue to participate in regional assessments of housing land availability and capacity, the London Strategic Housing Land Assessment (SHLAA). In order to meet future housing targets set out in the London Plan in the longer term, the council will take account of the evidence set out in the SHLAA, supplemented by local viability testing, and discussions with landowners to prepare the 6-10 and 11-15 year lists of developable housing sites. The housing land supply schedules will also help facilitate housing development by providing guidance to potential developers about what will be expected from development sites, and instigating discussions with landowners of stalled sites. The housing land supply schedules of deliverable and developable sites will be updated through the Authority's Monitoring Report.

POLICY S14 OPTIMISING HOUSING DELIVERY

Reasoned Justification

To achieve and exceed Westminster's housing targets it is necessary to protect existing housing and ~~have bring forward new~~ housing as appropriate the priority use across the city. This means that schemes which retain or increase the overall housing floorspace should not reduce the number of residential units as this would reduce the number of homes in the city. Affordable housing is an exception as Westminster's own housing stock is dominated by one and two bedroom units; whilst need is focused on two and three bedroom units. Formerly converted houses which would provide family-sized homes will also be an exception because of the shortage of family homes with gardens in the city and the benefits such 'de-conversion' would bring to providing a range of accommodation. This also creates

a flexibility and sustainability within the housing stock for different sizes and types of accommodation to be provided throughout a building’s lifetime.

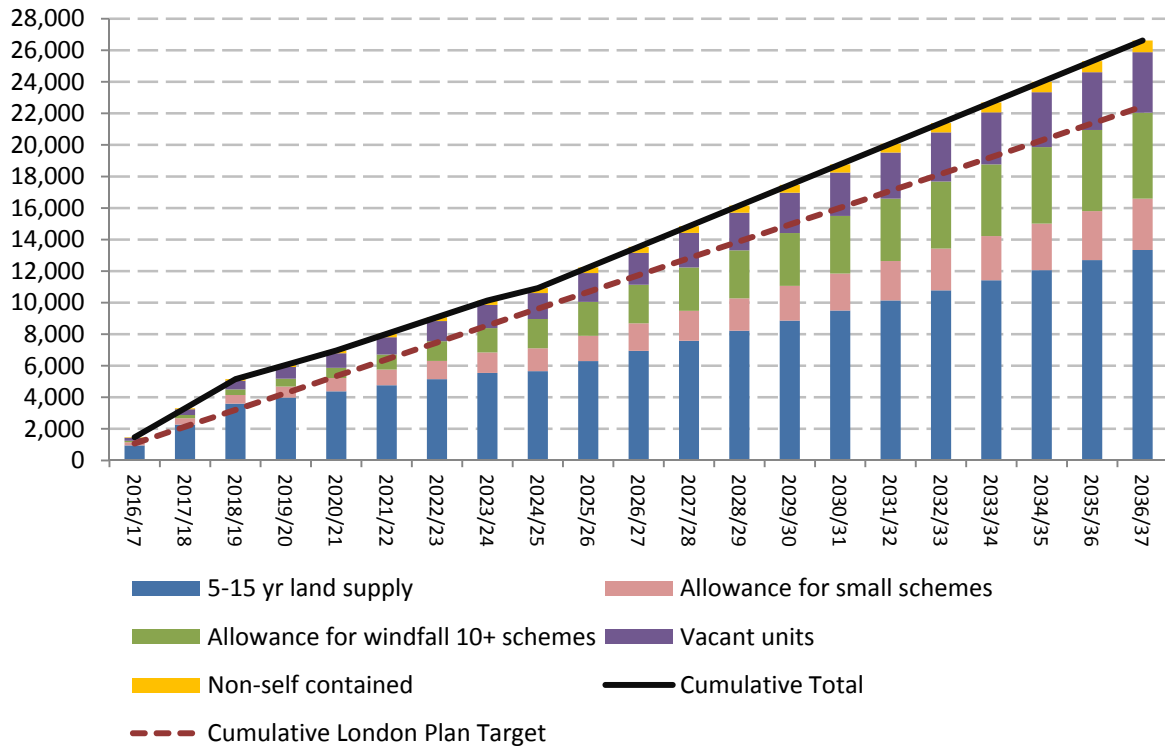


FIGURE 37 WESTMINSTER’S HOUSING TRAJECTORY

Westminster will be able to meet the London Plan target of **1,068 770** units **from all sources**.

This graph is based on the 15 year Land Supply Assessment **2014/14-2028/29** ~~2012/13–2026/27~~ included in the Annual Monitoring Report **2012/13** ~~2010/11~~, plus an allowance for windfall sites of 10 or more units and an allowance for sites yielding 1-9 units. **Figures beyond 2028/29 are based on estimates based on past delivery of non-conventional sources and development capacity.** It also includes sources of non-conventional housing: bringing vacant homes back into use and non-self contained housing. Westminster has local circumstances which justify including an allowance for windfalls and smaller sites, and that these can legitimately be included in the trajectory as set out in the spatial strategy. The justification is set out in Appendix 4, and is based on the following:

- The 15 year Land Supply Assessments include sites which are expected to deliver 10 or more residential units. However, 93% of housing sites in the city yield less than 10 units, and these small sites have yielded about 25% of new homes in the city.
- ~~This plan does not give general protection to office use; offices may therefore change to housing. Many applications for change of use from B1 use to housing are ‘windfalls’, which depend on the vagaries of the market and cannot be anticipated.~~

- Historically, windfalls have accounted for 80% of housing delivered in the city. However, the 15 year Land Supply Assessments will now capture many of these sites **and there will be less ‘windfalls’ from the loss of offices** so a far lower **proportion of new housing from this source figure** needs to be projected into the future.

The inclusion of these windfall and small sites allowances reflects the advice in the National Planning Policy Framework as such sites have consistently come forward and will continue to provide a reliable source of housing. It is based on new development and conversions, and does not rely on development of residential gardens. The 5 year housing land supply includes an additional 5% buffer to ensure choice and competition, although as most sites in Westminster are available for housing, this will include an element of windfalls as set out above.

...

Policies relating to Special Policy Areas (Policy S2), the Opportunity Areas (Policies S3, S4 and S5), Core CAZ and the West End Special Retail Policy Area (Policies S6 and S7), and North Westminster Economic Development Area (Policy S12) have other priorities **instead of, or** in addition to housing.

Cross-reference to Policy S1 Mixed Use in the Central Activities Zone; **S20 Offices and other B1 Floorspace**; Appendix 1 Proposals Sites: Strategic Sites for Housing.

BUSINESS AND EMPLOYMENT

4.17 The City of Westminster, in the heart of London, plays a definitive role in London's economy, accommodating more jobs than any other local authority, and providing opportunities for investment, enterprise and creativity. Employing over **600,000 half a million** people across a wide range of sectors, the local economy is both significant and diverseⁱⁱ. **Westminster has more employees in the UK and its employment density is second-highest behind the City of London. Over 60% of Westminster's employees and GVA are in just two wards: St James's and West End.** Westminster needs to remain competitive as a business location within a context of increasing globalisation and competition from other European and international cities, and fluctuations in economic circumstances and cycles.

4.18 ~~The working population of Westminster is projected to grow by about~~ **Westminster is projected to accommodate growth in employment of between 56,000 people 77,000 and 100,000 jobs** between ~~2016/17~~ **2012/13** to ~~2036/37~~ **2026/27**ⁱⁱⁱ. There is significant development for new jobs to be created within the Opportunity Areas. There will be capacity for a further 5,000 new jobs within Paddington (capacity for over 27,000 jobs has already been created), 4,000 new jobs in Victoria, and 5,000 new jobs within Tottenham Court Road (shared with the London Borough of Camden). Increases in jobs are also sought within the Core Central Activities Zone and North Westminster Economic Development Area, particularly Church Street, Edgware Road and Harrow Road.

~~4.2720~~ The Creative Industries are a major element in Westminster's economy and Westminster is one of the most creative hubs in the world. Seven percent of the UK's Creative Industries' employees work in Westminster. **Soho alone accounts for about 11% of the creative turnover of the entire UK, and makes up 20% of London's new creative jobs. 7 and Westminster's central area has the highest concentration of creative businesses in the UK, and probably the world. Mayfair and St James's is the largest concentrated art market in the world with over 150 retail galleries and three major auction houses, and three of Britain's top public galleries in the vicinity. It is also home to a significant proportion of the UK's antique trade. Soho is home to an internationally important cluster of film and television-relating businesses. About 90% of film and high end drama Visual Effects are done by companies based in Soho or just north of Oxford Street. Nine of the top 10 (and 30 out of the top 50) Televisual Top 50 Post Production houses in the UK are also based in Soho, with a further 7 elsewhere in Westminster. It continues to evolve and grow, for example recent consolidation as a global leader in men's fashion with the take-up of a number of key streets. Westminster also accommodates a third of London's advertising employment.** Westminster's attraction to Creative Industries is its centrality, connectivity, density of business and consumers and availability of talent^{iv}. Protecting and enhancing the Creative Industries is a priority^v; however, they do not fall within a specific use class and therefore require a customised approach. In 2007, about 63% of Creative

Industries operated from B1 Use Class units and a further 17% occupied A1 Use Class retail units^{vi}. However, the availability of other types of business floorspace remains important to the diversity and functioning of this sector.

4.20 4.21 However, there are limits to the level of growth that can realistically be achieved due to the already densely developed built form, transport capacity, the need to retain all areas of open space and the need for new development to be appropriate to its context, particularly in relation to the mix of uses and historic fabric of much of the city. Therefore, growth needs to be directed to the most appropriate locations in Westminster, **and the appropriate balance between commercial floorspace and residential needs to be struck, particularly for Westminster’s core commercial areas.**

POLICY S18 COMMERCIAL DEVELOPMENT

Commercial Development will be encouraged and directed to Paddington, Victoria and Tottenham Court Road Opportunity Areas, the Core Central Activities Zone, the Named Streets, the North Westminster Economic Development Area and designated Shopping Centres.

The council will work to achieve and exceed the target of additional floorspace capacity for 77,000 new jobs between 2016/17 and 2036/37, an average of 3,850 new jobs per annum. Commercial and other non-residential activity is the priority in the Core Central Activities Zone.

Proposals for new commercial uses must be appropriate in terms of scale and intensity of land uses, and character and function of the area.

Reasoned Justification

Westminster is the economic powerhouse of the UK, with the business activity centred around the West End. Its preeminent role must be protected and enhanced for the benefit of the economy, Westminster and London’s global reputation as a place for business and to visit, and to nurture the unique business clusters that exist and will evolve in the future. The West End Commission, reporting in 2013, recognised the importance of the role of the West End as a major economic asset and its uniqueness, but also recognised the challenges that needed to be addressed in the future. The loss of commercial floorspace fails to meet the needs of neither Westminster’s business community nor those who are seeking a West End location. This is detrimental to the economy, driving up rents and reducing supply. Ultimately, at scale, it will be detrimental to the economy of London and the UK more widely if allowed to continue.

A balance must also be struck between business and residential activity in this strategically important area. Housing is an important part of the mix of the area, but too much housing can erode the agglomeration benefits which make the West End and Opportunity Areas so successful, and lead to unrealistic expectations of residential amenity which is not compatible with meeting legitimate business needs.

Ensuring delivery against the strategic target for jobs will ensure that the needs of the business community are met through growth of Westminster's commercial floorspace.

This policy approach encourages the growth of commercial uses in the context of the already densely built form of predominantly human scale, mixed use character including residential, and the historic fabric of much of Westminster.

Cross-reference to Policies S3, S4 and S5 for the Opportunity Areas; S6 Core Central Activities Zone; S8 Marylebone and Fitzrovia; S12 North Westminster Economic Development Area; **S20 Offices and other B1 Floorspace.**

OFFICES AND BUSINESS FLOORSPACE

4.23 Between 1996 and 2010/11, office floorspace within Westminster increased, with much of these gains being within the Paddington Opportunity Area. The Core Central Activities Zone (Core CAZ), particularly the West End, accommodates the greatest proportion of Westminster's office stock, with a net increase in the overall amount of office floorspace of 70,400 sqm between 1996 and 2010/11. The proportion of the total floorspace within Core CAZ which is in office use ~~has~~ remained relatively stable during this period, **ranging between 48% and 51% of the total floorspace between 1983 and 2009/10. However a sustained period of office losses began in the 2010/11 monitoring period, indicative of unprecedented changes to market conditions linked to the exceptionally strong performance of the housing market. comprising 50% of total floorspace in 1983, 51% in 1990, 48% in 2008 and 46% in 2011. This resulted in the loss of a significant amount of office floorspace with the loss of 167,000sqm in the four years 2010/11 to 2013/14. If continued unchecked, this would have had irreparably damaged UK's economic core.**

4.24 **The strategic approach to commercial and residential floorspace in the CAZ was changed in 2015 to ensure that the right mix and balance of uses was secured to support a sustainable and diverse economy. Crucial to achieving this balance is recognising the importance of the agglomeration benefits of the unique clusters of commercial activity,**

and their overlap and coming together to create the places like Soho, Mayfair, St James's and Covent Garden that are so attractive to businesses, workers, visitors and residents alike. These long term trends in office floorspace reflect the fact that, generally, unlike most other places in the UK, developers would rather bring forward office floorspace than any other land use.

~~4.26—Offices are supported as an important use within Westminster. However, because of the unique market pressures for office floorspace and long term stability in provision, it is not considered necessary to provide a specific policy to protect offices.~~

POLICY S20 OFFICES AND OTHER B1 FLOORSPACE

The council will work to achieve and exceed the target of additional floorspace capacity for 58,000 new jobs between 2016/17 and 2036/37^{vii}, an average of 2,900 new jobs per annum.

New office development will be directed to Paddington, Victoria and Tottenham Court Road Opportunity Areas, the Core Central Activities Zone, the Named Streets, and the North Westminster Economic Development Area.

Inside the Core Central Activities Zone, Opportunity Areas and the Named Streets, changes of use from office to residential or replacement of office floorspace with residential floorspace will only be acceptable where the council considers that the benefits of the proposal outweigh the contribution made by the office floorspace, taking into account:

1. the employment and housing targets set out above, and as referred to in Policies S18 and S14, or in the case of the Victoria and Paddington Opportunity Areas, the targets set out in Policies S3 and S4;
2. the contribution of the office floorspace to meeting business and employment needs; and
3. the mix of type, size and tenure of housing proposed.

Where 3) above is not met due to site constraints and/or viability, the floorspace will be retained as B1 office floorspace.

Where appropriate, the council will request a range of business floorspace including workshops and studios.

Reasoned Justification

Westminster contributes approximately 9 million sqm of office floorspace to London and the UK's stock; the largest and most diverse office agglomeration in the country and one

of the most significant globally. However, there were losses of office floorspace since 2010/11, a trend that will take some time to reverse due to the significant number of office losses granted permission between 2010/11 and September 2015. Given the importance of this office and wider commercial agglomeration, it is crucial that housing does not displace offices within the core commercial areas until employment capacity has recovered in line with the employment targets and an appropriate balance of uses is re-established. Losses of office to other commercial or social and community uses are acceptable as they likewise contribute to the commercial activity in the area.

New offices are encouraged within these locations to retain **and enhance** Westminster's strategic role in London's office sector, and support London's global competitiveness. The policy also identifies Westminster's capacity for growth, predominantly in the three Opportunity Areas and North Westminster Economic Development Area.

In addition to offices, a range of other B1 floorspace is required in Westminster to ensure diversity across employment sectors. This supports a range of business activities, including Creative Industries, and employment opportunities. It will be sought where non-office type floorspace such as workshops and studios are appropriate as part of the overall mix of uses because of their location or existing use.

Cross-reference to Policies S1 Mixed Use in the Central Activities Zone; S3 Paddington Opportunity Area; S6 Core Central Activities Zone; S12 North Westminster Economic Development Area; **S14 Optimising Housing Delivery**; S18 Commercial Development.

ⁱ London Plan **2015 2011**.

ⁱⁱ **ONS BRES 2014. This differs from the number of jobs as some people have more than one job.**

ⁱⁱⁱ **The GLA have projected employment growth from the current 673,000 employees to 750,000 in 2036, an increase in 77,000 jobs (GLA Employment Projections 2013). The target could also be based on retaining Westminster's share of the London-wide growth projections, a target of an additional 98,000 jobs. Finally, a target based on employment growth matching London's (working age) population projected growth rate, an additional 105,000 jobs. London Office Policy Review, 2012**

^{iv} Creative Industries Report, 2007

^v Westminster Economic Development Strategy, 2007

^{vi} Creative Industries Report, 2007

^{vii} **This target is based a) on the average office floorspace projections taking into account forecast employment and past stock growth, and assuming an occupation rate of 9sqm per employee for B1 uses and b) securing 49% of the employment growth target set out in Policy S18 in office-based employment. Both of these assessments are based on the London Office Policy Review 2012 Update, and both methods suggest a target of 58,000 jobs.**

PART VI:

IMPLEMENTATION

Insert the following new text after Policy S47 The Presumption in Favour of Sustainable Development:

POLICY CM47.1 LAND USE SWAPS AND PACKAGES

Planning permission for the swapping of uses between sites and for land use packages (swaps between more than 2 sites) which are located in the Central Activities Zone will be appropriate where:

1. the sites are in the vicinity of each other;
2. the mixed use character of the immediate area is secured at a fine grain;
3. there is no net loss of floorspace which is protected by other policies in the plan;
4. the uses are appropriate within each area and there is no loss of amenity resulting from the introduction or intensification of a use into an area;
5. any residential accommodation is of a higher quality than could have been achieved without the land use swap or package;
6. the applications for all sites are submitted at the same time and all elements of the scheme are completed within a time frame agreed by the City Council.

This policy does not prejudice the application of any other policies in the plan, and requirements for floorspace to be provided must be met in full.

If agreed, the sites subject to the land use swap or package will be treated as though the development is on a single site, including for consideration of viability.

Applications must be accompanied by a full schedule of the existing and proposed floorspace including the following:

1. the floorspace of each use (Gross Internal Area) proposed for each site, and for all of the sites taken as a whole;
2. in the case of residential floorspace, the breakdown of floorspace provided in accordance with 1. (immediately above) by the tenure, unit floorspace, and the

number of bedrooms of each unit , and the total floorspace for all of the sites taken as a whole;

- 3. details of any draw downs of credits in accordance with Policy CM47.2 ; and**
- 4. calculations of any floorspace shortfalls being met from Payment in Lieu.**

Reasoned Justification

In order to maximise the potential of sites within the commercial areas of Westminster’s Central Activities Zone, flexibility is provided through land use swaps and packages to ensure a mix of uses is retained locally, but maximising the potential of each individual site.

Due consideration will be given to packages where one or more of the sites are not within the vicinity of each other against mixed use and mixed and sustainable community objectives. These will be considered on a site-by-site basis and therefore, while the objectives of this policy will be a consideration, they can not be treated as though they were a single site for planning purposes as their varied locations will need to be taken into account.

It is important that sufficient detail is provided with any application using this mechanism to allow a proper assessment to be made. In the case of land use packages, calculations can become very complex and it is important transparency is maintained.

POLICY CM47.2 CREDITS

A) Registering Credits

In addition to Policy S1 in the case of mixed use credits, credits must:

- 1. be agreed as a credit at application stage and registered as a credit at the time of permission being granted, or have been granted permission prior to *[revision adoption date]* and have not been implemented;**
- 2. establish a nominal floorspace value for the credit in agreement with the council, with each credit equating to 1 sqm;**
- 3. fund the development and maintenance of a credit monitoring database which will be the definitive list of credit sites;**
- 4. not be listed in Appendix 1 Proposals Sites with that use as a Preferred Use;**
- 5. comply with the following policies;**

Residential Mixed Use Credits	S14 Optimising Housing Delivery; Policy S16 Affordable Housing excluding Payments in Lieu; CM16.1 Meeting the Range of Affordable Housing Needs; and CM14.1 Housing Quality
Commercial Mixed Use Credits	S18 Commercial Development; S19 Inclusive Local Economy and Employment; and where relevant S21 Retail

In considering if a proposal should be agreed as a credit scheme, the council will take into account the scheme's location, scale and quality and in the case of residential floorspace, the type, tenure, mix and number of units to be provided and the type, tenure and mix of uses/housing in the local area.

B) Drawing Down Credits

In addition to Policy S1 in the case of mixed use credits, when drawing down credits:

- 1. They must be drawn down within 7 years of registration;**
- 2. The floorspace registered by the credits must be completed, and the completion certificate provided to the council;**
- 3. The nominal value referred to in A) 2. above must be used in any viability assessment for the host scheme;**
- 4. Credits may be pooled from more than one credit scheme, or used in combination with on-site, off-site or payment in lieu provision;**
- 5. The credits must be available for draw down, as follows;**
 - i. Credits are allocated to a host scheme at the time the planning application is submitted for the host scheme. After this, they will not be available for any other host scheme until they are released.**
 - ii. To release credits the council must be notified in writing that:**
 - a) the host scheme planning application has been refused and the time for an appeal has expired, or an appeal dismissed;**
 - b) the host scheme planning application has been withdrawn;**
 - c) the host scheme has been superseded by an alternative host scheme and the credits are transferred to the latter scheme;**

- d) **the host scheme has been superseded by an alternative scheme that does not use the credits; or**
 - e) **the host scheme planning permission has expired.**
- iii. **Credits can only be drawn down once, and the credit has been drawn down when the council is notified in writing that the host scheme is completed.**

Policy Application

An appropriate nominal value will be agreed using the following inputs:

1. The credit site value, equating to the market value for the credit land use(s). In the case of a residential mixed use credit, this will be the market value of the housing including the affordable housing. In the case of a commercial mixed use credit, this will be the market value of the commercial floorspace being provided.
2. Development costs, based on appropriate industry benchmarks.
3. A return of up to 20%.
4. Planning obligations and any Community Infrastructure Levy.

‘Hope value’ for alternative uses and any opportunity loss will not be taken into account in the establishment of the nominal value.

Reasoned Justification

Land use credits enable development to be bought forward early which can then meet policy requirements of a later scheme, referred to as the ‘host scheme’. This provides additional flexibility to support developers in delivering mixed use. However, it is important that the credits provide additionality to contribute towards the objectives of the mixed use policy.

It is also important that there is certainty around the value of the credit both at the time of the credit application and at the time of the host application, to ensure the drawing down of the credit at a later date does not impact on the ‘book’ viability of the host scheme and to avoid value escalation. It is also important that the credit is used in a timely way to ensure that the mix of uses can be monitored at a fine grain, with any pipeline of development and credits taken into account to inform decision-making and plan development.

All costs associated with managing a credit scheme need to be absorbed into the scheme itself to ensure that this additional flexibility for the benefit of development does not cost the public purse.

RISK AND REVIEW

FIGURE 55 RISK ASSESSMENT

Area	Risk	Reason	Actions	Key Partners
Housing	Inability to meet housing target	Difficulty bringing housing forward as high existing use values, lack of brownfield sites, and wider economic downturns. <u>Less housing delivered from changes of use/redevelopments involving office losses.</u>	<u>Undertake regular reviews of housing delivery, and in appropriate locations, compare this to delivery against commercial targets. The policy approach enables approvals of residential from office losses once the commercial targets are better met. Make housing the priority use, and require it against commercial development in appropriate locations.</u>	Development industry.
	Inability to secure significant amounts of affordable housing	Affected by viability, particularly high existing use values, increasing reliance on viability testing, competing planning obligations demands and wider economic downturns. Uncertainty about future funding regimes. Proportion target	Changed threshold for requiring affordable housing (1,000 sqm), and amount sought (proportion floorspace). Housing Renewal Programme to provide about 500 affordable homes. Affordable Housing Fund to 'top up' Mayoral/ Registered Provider affordable housing funding. Working to develop an appropriate affordable	Westminster City Council (Housing), CityWest Homes, Registered Providers, Mayor of London (previously Homes and Communities Agency).

		strongly affected by small schemes below threshold.	rent product for Westminster and widen Intermediate Housing products to better meet needs of low- and medium-income families (through Housing Strategy and City Management policy).	
<u>Sustainable Economy</u>	<u>Continued loss of offices, loss of economic diversity, and loss of key business agglomerations, resulting in a less sustainable economy, economic resilience and loss of character and reputational damage in the longer term</u>	<u>Strong performance of the residential market</u>	<u>Inclusion of strategic jobs target and strategic office jobs targets, and protection of offices in appropriate circumstances</u>	<u>Development industry Key Employment Sectors Business Improvement Districts</u>

FIGURE 56 MONITORING FRAMEWORK

HEADLINE OBJECTIVES	KEY INDICATORS' TOPICS	POLICY REF
Objective 1: To accommodate sustainable growth and change that will contribute to enhancing London's Westminster's role as the heart of a pre-eminent sustainable world class city, including building on its internationally renowned business, retail, cultural, tourism and entertainment functions within the Central Activities Zone; to support the unique economic breadth and diversity of the West End and its fringe areas including the Opportunity Areas; whilst maintaining its unique and historic character, mix, functions, and townscapes.	Retail development in the West End Special Retail Policy Area (WESRPA), and other shopping centres, and outside shopping centres Hotel development by area Development of new arts and cultural uses by area Entertainment use development by area Development in Paddington, Victoria and Tottenham Court Road Opportunity Areas progress against housing and job targets; and delivery of key social and transport infrastructure identified in the plan policy Change in land uses in Special Policy Areas. Development affecting identified views.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 18, 20, 21, 22, 23, 24, 25, 26, 27, 33, <u>47.1, 47.2</u>
Objective 5: To manage the pressures on the city from its national and international roles and functions, supporting business communities and tourism, and to ensure a safe and enjoyable visitor experience.	Tourism-related and visitor accommodation uses Entertainment uses within Stress Areas Crime rates associated with the 24 hour economy	<u>1, 2, 3, 4, 5, 6, 7, 8, 11, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 31, 32, 33, 34, 35, 36, 37, 41, 42, 43</u>

SUPPORTING INFORMATION

APPENDIX 3: KEY PARTNERSHIPS

PARTNERSHIP	LEVEL	EXAMPLES OF PROJECTS / ACHIEVEMENTS	STAKEHOLDERS INVOLVED
Business Improvement Districts (from 2001)	Local Area	<p>These locally controlled partnerships are made up of groups of businesses. These include Paddington, <u>Baker Street</u>, New West End Company (around Oxford Regent and Bond Street), Heart of London (around Leicester Square and Piccadilly Circus), <u>Bayswater</u>, <u>North Bank (around the Strand)</u>, Victoria and Piccadilly & St James's. There are also emerging BIDs for Baker Street and the Strand. Within these areas business occupiers pay an additional levy to fund improvements to their local areas, often in conjunction with voluntary contributions with landowners.</p>	Westminster City Council and groups of local businesses

APPENDIX 4: HOUSING DELIVERY

HOUSING DELIVERY

The table below sets out the projected delivery of housing for the ~~15~~ 20 year period ~~2012/13 – 2026/27~~ 2016/17 -2036/37. The council anticipates a net increase in conventional housing of ~~9,320~~ 22,041, and a further ~~2,640~~ 4,578 from non-conventional sources. This is based on annual estimates of ~~81~~ 183 vacant units bought back into use, ~~95~~ 35 non-self contained units, an average of ~~130~~ 260 windfalls of over 10 units, and ~~200~~ 150 units from schemes of <10 units.

These allowances accord with the London Strategic Housing and Land Availability Assessment ~~2009~~ 2013. However it is noted that delivery of units, particularly non-self contained units is, in reality, very ‘lumpy’. The annual allowance from all sources of housing includes a 5% buffer, although as most sites in Westminster are appropriate for housing, there is already a significant degree of choice and competition.

These are the raw figures shown in Figure 37 Westminster’s Housing Trajectory, to deliver against a ~~15~~ 20 year target of ~~11,550~~ 21,360 new units.

	Year	Conventional homes from 5-15 year land supply	Allowance for schemes under 10 units	Allowance for windfalls sites of 10+ units	Total conventional units	Bringing vacant homes back into use	Non-self contained units	Cumulative TOTAL
1	2012/13	725	200	0	925	81	95	886
2	2013/14	977	200	50	1,227	81	95	1,987
3	2014/15	546	200	50	796	81	95	3,390
4	2015/16	477	200	75	752	81	95	4,362
5	2016/17	780 <u>948</u>	150 <u>200</u>	75 <u>100</u>	1,005 <u>1248</u>	81 <u>183</u>	95 <u>35</u>	5,290 <u>1,466</u>
6	2017/18	147 <u>1324</u>	150 <u>200</u>	100	397 <u>1624</u>	81 <u>183</u>	95 <u>35</u>	-6,471 <u>3,308</u>
7	2018/19	147 <u>1324</u>	<u>150</u>	100 <u>150</u>	397 <u>1624</u>	81 <u>183</u>	95 <u>35</u>	7,044 <u>5,150</u>
8	2019/20	147 <u>389</u>	<u>150</u>	150	447 <u>689</u>	81 <u>183</u>	95 <u>35</u>	7,617 <u>6,057</u>

<u>4</u>								
<u>9</u> <u>5</u>	2020/21	<u>147-389</u>	<u>150</u>	<u>150</u>	<u>447-689</u>	<u>81183</u>	<u>9535</u>	<u>8,240-6,964</u>
<u>10</u> <u>6</u>	2021/22	<u>147-389</u>	<u>150</u>	<u>200-300</u>	<u>497-839</u>	<u>81183</u>	<u>9535</u>	<u>-8,863-8,021</u>
<u>11</u> <u>7</u>	2022/23	<u>60-389</u>	<u>150</u>	<u>200-300</u>	<u>410-839</u>	<u>81183</u>	<u>9535</u>	<u>9536-9,078</u>
<u>12</u> <u>8</u>	2023/24	<u>60-389</u>	<u>150</u>	<u>250-300</u>	<u>460-839</u>	<u>81183</u>	<u>9535</u>	<u>10,122-10,135</u>
<u>13</u> <u>9</u>	2024/25	<u>0-120</u>	<u>150</u>	<u>250-300</u>	<u>400-570</u>	<u>81183</u>	<u>9535</u>	<u>10,758-10,923</u>
<u>14</u> <u>10</u>	2025/26	<u>0-640</u>	<u>150</u>	<u>250-300</u>	<u>450-1,090</u>	<u>81183</u>	<u>9535</u>	<u>11,334-12,231</u>
<u>15</u> <u>11</u>	2026/27	<u>0-640</u>	<u>150</u>	<u>300</u>	<u>450-1,090</u>	<u>81183</u>	<u>9535</u>	<u>11,960-13,539</u>
<u>12</u>	<u>2027/28</u>	<u>640</u>	<u>150</u>	<u>300</u>	<u>1,090</u>	<u>183</u>	<u>35</u>	<u>13539-14,848</u>
<u>13</u>	<u>2028/29</u>	<u>640</u>	<u>150</u>	<u>300</u>	<u>1,090</u>	<u>183</u>	<u>35</u>	<u>14847-16,155</u>
<u>14</u>	<u>2029/30</u>	<u>640</u>	<u>150</u>	<u>300</u>	<u>1,090</u>	<u>183</u>	<u>35</u>	<u>16155-17,463</u>
<u>15</u>	<u>2030/31</u>	<u>640</u>	<u>150</u>	<u>300</u>	<u>1,090</u>	<u>183</u>	<u>35</u>	<u>17463-18,771</u>
<u>16</u>	<u>2031/32</u>	<u>640</u>	<u>150</u>	<u>300</u>	<u>1,090</u>	<u>183</u>	<u>35</u>	<u>20,079</u>
<u>17</u>	<u>2032/33</u>	<u>640</u>	<u>150</u>	<u>300</u>	<u>1,090</u>	<u>183</u>	<u>35</u>	<u>21,387</u>
<u>18</u>	<u>2033/34</u>	<u>640</u>	<u>150</u>	<u>300</u>	<u>1,090</u>	<u>183</u>	<u>35</u>	<u>22,695</u>
<u>19</u>	<u>2034/35</u>	<u>640</u>	<u>150</u>	<u>300</u>	<u>1,090</u>	<u>183</u>	<u>35</u>	<u>24,003</u>
<u>20</u>	<u>2035/36</u>	<u>640</u>	<u>150</u>	<u>300</u>	<u>1,090</u>	<u>183</u>	<u>35</u>	<u>25,311</u>
<u>21</u>	<u>2036/37</u>	<u>640</u>	<u>150</u>	<u>300</u>	<u>1,090</u>	<u>183</u>	<u>35</u>	<u>26,619</u>
	TOTAL	<u>4,870</u> <u>13,341</u>	<u>2,550</u> <u>3,250</u>	<u>1,950</u> <u>5,450</u>	<u>9,320-22,041</u>	<u>1,215</u> <u>3,843</u>	<u>1,425</u> <u>735</u>	<u>26,619</u>

FIGURE 57 PROJECTED HOUSING SUPPLY FROM ALL SOURCES 2011/12 – 2026/27 2016/17 – 2036/37

WINDFALL DEVELOPMENTS

There are a number of unique local circumstances in Westminster which justify the inclusion of windfalls and smaller schemes (which are nearly always windfalls) when demonstrating

deliverability in terms of housing land supply, and producing the housing trajectory for Westminster's City Plan.

1. Westminster, being at the heart of Central London, is already densely built up, and has only has brownfield sites, and very few large sites. Any large sites coming forward will be expected to provide either solely housing (with supporting community facilities), e.g. Chelsea Barracks; or mixed uses to include housing, e.g. the three Opportunity Areas designated for mixed use to provide significant employment uses and housing.

2. Because Westminster is intensively built up, over 90% of housing schemes completed in the city have less than 10 additional residential units. Small schemes of less than 10 units produced ~~2,179~~ **3,283** units in the ~~nine~~ **twelve** years 2002 to ~~2013/14~~ **2010/11**, and make up about ~~27%~~ **44%** of additional residential units completed. This equated to an average figure of ~~242~~ **274** units per annum from these small sites. An allowance of 200 units per year for small schemes is therefore considered to represent a realistic estimate of likely units arising.

~~3. — There are no general policies in Westminster's City Plan protecting employment uses (i.e. B1 office). Housing is given the highest priority in the plan. Therefore, any office building can, in principle, change use to housing, and many do. However, it would be inappropriate to include all B1 buildings in the housing land supply as it is not known if, or when, any specific site will be developed for housing. Hence, whilst some such schemes, particularly those in the investment strategies of the major landowners, can be included in the 5-15 year land supply assessment, many applications for change of use from B1 use to housing are 'windfalls' and depend on the vagaries of the market and cannot be anticipated.~~

Period	No of < 10 unit schemes	Net units from < 10 unit schemes	Total net units from conventional housing	Percentage of conventional housing from < 10 unit schemes
2002	27	109	703	16%
2003	89	192	1,318	15%
2004	103	234	596	39%
2005/06	169	360	1,809	20%
2006/07	124	252	665	38%
2007/08	92	206	671	31%
2008/09	118	274	850	32%

2009/10	110	243	653	37%
2010/11	134	309	831	37%
<u>2011/12</u>	<u>198</u>	<u>458</u>	<u>837</u>	<u>24%</u>
<u>2012/13</u>	<u>127</u>	<u>286</u>	<u>591</u>	<u>21%</u>
<u>2013/14</u>	<u>163</u>	<u>360</u>	<u>527</u>	<u>31%</u>
Total/ Average	966 1,454	2,179 3,283	8,096 10,051	27% 44%

FIGURE 58 RESIDENTIAL SCHEMES WITH 1 TO 9 ADDITIONAL RESIDENTIAL UNITS

4.3. The market will also dictate when it is viable to redevelop existing housing sites to a higher density. Most of these applications will be ‘windfalls’; though an exception will be existing Registered Provider/CityWest Homes sites, but the majority of these estates are already high density.

5.4. Westminster’s mixed use policy requires an equivalent amount of residential floorspace be provided in proposals for increases in **commercial office** floorspace of over **30% of the original building (or less than 400sqm, whichever is greater) 200 sqm (or 400 sqm in the case of A1 or private health, education and leisure facilities). Where the uplift is less than 50%, the developer can choose whether this requirement is met by on-site, off-site or a payment in lieu.** This policy also therefore leads to new housing units in the city, but as with change of use schemes, mixed use developments cannot always be anticipated.

6.5. Between 2002 and 2009/10, ‘windfalls’ i.e. developments on sites not included in the UDP schedules of Major Development Sites or Opportunity Sites have accounted for 80% of housing units delivered in Westminster. However, the ~~new~~ system of preparing 5-15 year Land Supply Assessments will capture many sites that were previously considered to be ‘windfalls’. So a reduced allowance for windfalls sites with the capacity for 10 plus residential units needs to be made. In the nine year period 2002 – 2010/11, 5,917 completed units were the result of windfall sites of 10 or more units. It is therefore reasonable to make an allowance of 130 units per annum, which represents about 20% of this figure, reflecting the fact that windfalls will be significantly reduced in the future due to the improved site capture afforded by the preparation of the 5 - 15yr supply list. However, at the time of preparation of this Plan most sites which will deliver housing in the city beyond **2016/17 2021/22** are unknown to the council and therefore must be treated as windfalls, hence the ‘windfall’ allowance increases over time in the assessment.

MEETING HOUSING TARGETS

The housing targets for Westminster are updated over time, including though changes to the London Plan. This has made it difficult to assess performance against the London Plan targets because the overall time period has never been completed before the target has been changed. Whenever a new target is introduced, any surplus housing that may have been built in previous years does not count against the new target, and the borough essentially starts from zero again.

The housing trajectory set out at Figure 37 assumes an annual target of ~~770~~ **1,068** units. It applies these targets cumulatively over the ~~15~~ **20** year time period of the plan. However, the London Plan targets are actually as follows:

1999-2003	No London Plan target
2004-2006/07	970p.a. 1997-2016 or 2,910 for the three year period
2007/08 -2010/11	680p.a. 2007/08-2016/17 or 2,720 for the four year period
2011/12- 2014/15 current	770p.a. 2011/12-2021/22 or 7,700 for the ten year period
<u>2015/16-2036</u>	<u>1,068 p.a., or 21,360 for the twenty year period</u>

The figure above shows past and projected performance against these targets. It also rolls out the target of ~~770 1,068 units per year p.a.~~ beyond the ~~2021/22~~ **2034/35** time period of the London Plan to cover the entire **Core Strategy City Plan** time period. This figure shows that, although the target may not be reached in any one year, cumulatively sufficient surplus is built up in other years to cover the target over the longer term. When the new 680 p.a. target was introduced in 2007/08, the surplus that had been built up previously was essentially deleted, although in that year the target was exceeded (1,011 homes were delivered) and therefore a surplus was still recorded for that year.

Overall, the figure demonstrates that Westminster has always met its London Plan target, and is confident of doing so in the future.

GLOSSARY

Add the following Glossary Definitions:

Credits	Where floorspace is delivered and registered as a credit, which is then used to off-set a policy requirement for that floorspace generated by another scheme at a later date.
Land use swaps and packages	Where two (land use swap) or more (land use package) sites are considered as a single application for the purposes of determining a planning application. These are used to provide the floorspace required by policies over more than one site.
Host Scheme	The scheme which credits are drawn down against. These are developed at a later date than the credit scheme and use the floorspace delivered by the credit scheme to meet floorspace requirements of other policies.
Original building	In relation to a building existing on 1st July 1948, as existing on that date and, in relation to a building built on or after 1st July 1948, as so built.

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