



Business, Planning and Transport Policy and Scrutiny Committee Briefing

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Please find below an update on key areas of activity from the Planning and Public Realm portfolio since the Committee last met.

1. Development Planning

1.1 Telephone Boxes and advertising

We are still waiting for a formal response from the Government regarding our lobbying over the increase in applications for telephone kiosks with associated advertising. New World Payphones/Clear Channel have recently been granted consent on appeal to remove 193 modern design kiosks and install 45 new kiosks with integral LED advertising screens in locations currently occupied by NWP kiosks.

Following a survey of kiosks around Oxford Street a second set of planning contravention notices have been served to clarify anomalies in the original responses. Following this my intention is to pursue enforcement action against a number of redundant or infrequently-used kiosks. Should this action be successful it can be rolled out in other parts of Westminster where kiosks are clearly not be used.

1.2 Workload and Recruitment

The number of applications received has continued to fall by approximately 6% over the last quarter, in line with expectations given the electoral cycle of the Council as well as the economic climate. An increase in schemes particularly major proposals is expected in the summer.

1.3 Review of the Development Planning Process

The Planning Advisory Service and Local Government Association have been asked to look at all aspects of the decision-making process in planning to ensure it is an independent and impartial process. It is not currently known when this review will be completed but any recommendations to improve the service will be reported in due course. The Council's own internal Audit team completed its review of planning in March with only minor recommendations.

Oliver Letwin is also leading a review into unimplemented consents.

1.4 Changes to Permitted Development Rights

The Government has announced it is looking to extend permitted development rights, in particular the right to extend residential property upwards. A formal consultation document is due out early in the summer. In the meantime the Government has extended some existing temporary permitted development rights. The existing temporary right to change the use of a building from a storage or distribution centre to a dwelling house has been extended by a year to 10th June 2019. The temporary arrangement which makes broadband cabinets permitted development in protected areas such as conservation areas until 30th May 2018 has been made a permanent change.

2. Planning Policy

2.1 Neighbourhood planning

Consultation on the draft Knightsbridge Neighbourhood Plan ended on 14th February 2018. In total 99 responses were received.

The Plan will now proceed to independent examination. Jill Kingaby has been appointed as Examiner with the agreement of the neighbourhood forum as legislation requires. She will determine if the plan meets the 'basic conditions' i.e. whether it:

- has appropriate regard to national policy;
- contributes to the achievement of sustainable development;

- is in general conformity with the strategic policies in the development plan for the area;
- is compatible with EU regulations;
- meets human rights requirements.

The Examiner's report can recommend one of three main recommendations: (i) the plan proceeds to referendum (ii) the plan proceeds to referendum with modifications (iii) the plan should not proceed to referendum.

The Council is required to respond to the Examiner's recommendations, including making any modifications to the plan necessary to ensure it meets the 'basic conditions'. After that, the Council must administer a local referendum on if the plan should be 'made'. If 'made' the plan will form part of the statutory development plan for determining planning applications in the area covered by the Plan.

The Council has also now received a submission version of the Mayfair Neighbourhood Plan, which is currently being reviewed by officers.

2.2 Office to residential change of use: Article 4 Direction

On 20th February the Council formally launched consultation on a Direction under Article 4 of the General Permitted Development Order that will require developers proposing the change of use of a building from offices to residential in the Westminster Central Activities Zone (CAZ) to make full planning applications. This is to take account of the Government decision to make a temporary permitted development right allowing these changes of use without the need for full planning permission - originally proposed to end in 2016 – permanent and its withdrawal of an exemption covering the CAZ.

The proposed Direction is a "non immediate" one. That means that subject to the results of the consultation, which will end on 6th April, it can be formally confirmed twelve months after it is made. It is proposed that the Direction will come into force on 1st May 2019, so it is in place before the current exemption ends at the end of that month.

Once adopted the Direction will mean that the Council can continue to use its planning powers to decide when it is appropriate to protect offices in the CAZ. This is important given that since 2010/11 Westminster has lost over 300,000 square metres of office floorspace to residential use. This loss has had a significant effect on the availability of office space in key markets, resulting in less choice for occupiers and upward pressure on rents. As this will simply

continue an already existing exemption it is unlikely to have a significant impact on housing delivery.

3. Community Infrastructure Levy (CIL)

3.1 Westminster CIL

It will be recalled that CIL works with liability arising at the point that planning permission is granted (when a “liability notice” is issued) and is paid when work starts (when a “demand notice” is issued). Larger schemes can pay CIL by instalment.

Since charging started on 1 May 2016, the Council has issued a total of 190 liability notices for payment of WCC CIL for a total value of **£87,397,360**. Demand notices have been issued for payment of **£25,027,692**. Of this, a total of **£15,170,710** has been paid and there is therefore currently an outstanding sum of **£2,582,588** payable by the end of March 2018 and another sum of **£7,274,395** payable by November 2018.

At its first meeting, on 2nd November 2017, the Cabinet CIL Committee decided on expenditure of £7,444,077 for nine projects. It will be meeting again on 26th March to consider expenditure of a further £5,262,000. All these decisions relate to the portion of CIL income which under the CIL legislation it is for the Council itself to decide on expenditure according to its strategic infrastructure priorities. None relates to the neighbourhood portion – the amount the Council is required to identify from development in each neighbourhood and where spending decisions are taken in agreement with neighbourhoods and communities. Proposed arrangements for decision-making on this neighbourhood portion are being developed for discussion with neighbourhoods and others.

3.2 Proposals to reform developer contributions to affordable housing and infrastructure

The Government has published a consultation document on proposals to implement some of the detailed proposals for changes to the Community Infrastructure Levy (CIL) proposed by the Government’s independent review panel chaired by Liz Peace, the former Chief Executive of the British Property Federation. The Council gave comments to the review panel supporting the principle of amending the CIL rather than more radical approaches involving its abolition or significant change; we also supported many of the changes being proposed in the consultation. These include:

- Bringing the evidence requirements for CIL-setting in line with those for preparing local plan policies to avoid duplication and reducing the standard of proof in demonstrating a funding gap to demonstrate infrastructure need.
- Removing the current requirement for two rounds of formal consultation on proposed CIL rates with a requirement for authorities to produce evidence of an appropriate level of engagement – which will allow tailored and more proportionate approaches (a single round of consultation when simply revising an existing charging schedule, for example).
- Technical changes to CIL administration processes to enable claims for exemptions from CIL to be allowed after developments commence (at the moment they automatically lapse) and relating to phased planning permissions granted before CIL comes into force.
- Allowing charging authorities to set CIL by reference to the current use of land, to allow large increases in values from particularly low value to high value uses to be captured.
- Changing the basis on which CIL liability is indexed to protect the real term value of the charging rates.
- Ending the requirement to publish a “regulation 123 list” of types of infrastructure that CIL may be used to fund. Instead councils would publish annual Infrastructure Funding Statements that will set out infrastructure priorities and provide a framework for communication about use of CIL and delivery of section 106 obligations.

The document indicates Government is considering further changes, including the idea of setting affordable housing contributions nationally and to be non-negotiable.

Comments are sought by 10th May. Officers are considering the draft and preparing a response for approval in time for submission to the Government by their consultation deadline.

4. London Plan

The Council has submitted its comments on the draft London Plan to the Mayor of London. The response expressed concern that the draft does not fulfil the purpose of the London Plan to provide a strong, concise statement of strategic policy while setting out approaches boroughs can then tailor to local

circumstances. It is weak on key strategic question like the distinctive role of central London to the continued prosperity of London and the country as a whole; the work of the West End Partnership; the impacts of nightly letting on availability of housing and amenity of residents and businesses; and the impacts of the gig economy.

The response pointed out that the draft plan goes into inappropriate levels of detail about matters best dealt with locally by boroughs accountable to local people and businesses and taking account of local circumstances and needs. The number and complexity of requirements it seeks to impose will involve heavy burdens for local planning authorities and developers alike, with little evidence this will be justified in terms of cost, quality and speed of planning decisions. In some areas, the draft Plan tries to mandate a single approach to be used throughout London, despite the wide differences between boroughs – an issue of particular concern to Westminster that faces issues and circumstances that are unique.

These issues are particularly important with regard to housing, where the draft Plan tries to be extremely prescriptive about the kinds (and even sizes) of affordable housing delivered through the planning system. Housing needs – and the challenges in meeting them – differ widely across London and the Council considers it vital that boroughs have the flexibility to ensure delivery of housing meeting local needs. Other boroughs have expressed concerns about the degree of prescription in the draft Plan.

After this round of consultation the next step will be an examination in public, currently expected to be held this autumn. This is led by an independent panel, which will report to the Mayor suggesting changes to the draft Plan. Once the Mayor has decided whether or not to accept these he will submit the proposed Plan to the Secretary of State who has a six-week period in which to consider whether to direct any changes. Assuming he does not, the draft Plan is laid before the London Assembly which has 21 days to decide whether to reject it in its entirety. Assuming this does not happen the Mayor can then formally publish his Plan.

5. Draft National Planning Policy Framework

On 5th March the Government launched public consultation on a revised National Planning Policy Framework (NPPF). The NPPF was first published as a statement of national policy and objectives for the planning system in 2012 when it replaced around 1,000 pages of policy and guidance. This is the first full NPPF revision.

As with the current NPPF, the proposed document has a presumption in favour of sustainable development at its heart. However, it is substantially reformatted, with clearer arrangement in chapters and removing the separate treatment of issues for plan-making and decision-taking which led to unnecessary duplication. It now includes a chapter explicitly addressing the need to make the most effective use of land. It takes a robust approach to questions of development viability, seeking to move towards this primarily being a matter for policy-making rather than case-by-case with individual applications.

Its key section relates to delivering a sufficient supply of homes. It carries forward many of the proposals in the Housing White Paper published last year, in particular:

- Housing targets in local plans should be worked out in line with a prescribed methodology “unless there are exceptional circumstances that justify an alternative approach”.
- There is an expectation that at least 10% of new housing on “major sites” should be ‘affordable home ownership products’ – unless this would “significantly prejudice the ability to meet the identified affordable housing needs of specific groups”.
- There is an expectation that local planning authorities will set housing requirement figures for designated neighbourhood areas.
- 20% of sites identified for housing in plans should be less than half a hectare.
- The draft deals with a new housing delivery test for local planning authorities. Under this, an action plan is required where housing delivery falls below 95% of target over 3 years. There is a separate consultation document dealing with the methodology that should be used to monitor compliance with this test.
- Relatedly, authorities will be able to impose conditions that development must begin within a timescale shorter than the default three year life of a planning permission, with a caveat that this must not harm viability or delivery.

Officers are considering the draft and preparing a response for approval in time for submission to the Government by their consultation deadline of 10th May.

6. Public Realm Projects

6.1 Hanover Square

Consultation on the proposed traffic management changes was carried out in January 2018 and results are to be reported shortly. Detailed design work of hard landscaping has since been undertaken and Stage 3 has been substantially completed.

The programme for delivery of the City Council's public realm works ahead of Crossrail's station opening in Hanover Square in December 2018 remains tight and access to the site limited. A phased implementation programme has been developed to enable scheme implementation to begin on site as soon as access becomes available this summer when Crossrail remove hoardings.

Funding to deliver the initial phases of this scheme have already been collected, and further funding identified and secured for delivery of subsequent phases. The New West End Company (NWECC) is now seeking additional funding from private sector interests to fill the remaining funding gap of circa £2m for delivery of the Core Hanover Square scheme by June 2018, plus additional funding, circa £3m, to deliver additional works to adjacent/connected streets.

6.2 Bond Street

Works commenced in April 2017, and as of March 2018 the project is 65% complete with completion expected in late summer / August 2018 as planned.

Because of delays at the Great Portland Estate development above the Crossrail Station, a section of New Bond St North of Brook St cannot commence until June 2019 when the façade retention, UKPN substation are removed and UKPN cable works in Bond St are completed. The final works will take 3 months.

We are continuing to engage with businesses to ensure works deliveries have been adjusted to support their events, redevelopments, and that delivery to shops and customer access is always maintained.